

REPORT
ON
SURVEY OF LABOUR CONDITIONS
IN
SHIP BUILDING AND REPAIRING
FACTORIES IN INDIA



LABOUR BUREAU
MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION
GOVERNMENT OF INDIA

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PREFACE

Industrial labour and its problems have been the subject of interest, though varying in degree and extent, ever since India entered the industrial field over a century ago. Today this interest has shifted from prevention of exploitation of labour to providing a fair deal and opportunities for a fuller life to labour. The growing realisation of this approach to problems of labour in India, in the context of present-day planned economic development of the country, is provided a sound base by the surveys that reveal true conditions of labour.

The last detailed survey on a country-wide basis of the working and living conditions of industrial labour was conducted by the Labour Investigation Committee appointed by the Government of India in 1944. The years that followed witnessed far-reaching changes in the set-up of the country, its basic policies and national objectives. As a result, the long-term strategy for economic and industrial advances recognises the well-being of the working class as an essential factor in the overall stability and progress of the country. The adoption of this policy, in the changed circumstances of the country, has brought about a new awakening in the ranks of labour and afforded them much relief in various directions through legislation and other measures.

In order to assess the impact of these measures on the industrial labour and to appraise their present conditions, a scheme for a comprehensive Survey of Labour Conditions was incorporated in the Second Five Year Plan and its execution was entrusted to the Labour Bureau. The Survey was conducted according to a phased programme in 46 industries*. This report presents data regarding Ship Building and Repairing Factories covered under the scheme during 1961.

The present Survey differs considerably from similar investigations in the past in matters of design, scope and presentation of data. It has also certain distinguishing features. For example, it furnishes data separately for large and small establishments in various industries, makes a limited study of labour cost in relation to the benefits and amenities that the workers now enjoy, seeks to fill the gap in the statistics of labour turnover and absenteeism in the factory industries and provides first-hand information on certain important aspects of labour management relations. Attempt has also been made to collect and interpret data on certain conventional items in a more meaningful way. In the presentation of the data, the effort has been to reduce the information into quantitative terms so as to serve as a benchmark for purposes of evaluation of changes at a future date. Recourse to general description has been resorted to only where the other type of treatment was not possible.

In a Survey of this magnitude, it was but natural that many problems had to be faced both in planning as well as execution. Most of these flowed from non-availability of up-to-date frames and absence or improper maintenance of records in many establishments. In many cases, the field staff had almost to build up the required statistics from various sources. This

*The names of 46 industries selected for the Survey are given in the Preface (p. iii) of the Report on Survey of Labour Conditions in Silk Factories in India.

naturally imposed a heavy demand on the managements and the Bureau is deeply indebted to them for their whole-hearted co-operation. The co-operation and valuable assistance received from associations of employers and workers, Labour Commissioners as well as Chief Inspectors of Factories and other officials of State Labour Departments is also gratefully acknowledged.

The debt of gratitude that I owe to the Central Statistical Organisation and the Chief Adviser of Factories for evincing keen interest in the Survey and rendering technical advice on various matters is indeed great. I am also thankful to the Employment Division of the Planning Commission for examining the schedule and instructions and offering useful suggestions. I am equally grateful to the Bureau of Labour Statistics, U.S.A., Social Survey Division, Ministry of Labour and Social Service, U.K., Economics and Research Branch, Department of Labour, Canada and Labour Statistics and Research Division, Ministry of Labour, Japan, whose advice was sought on several technical matters.

The primary responsibility for conducting this Survey was ably borne by Shri B. N. Srivastava, Deputy Director, whose experience and application came into full play in this assignment. On various statistical problems arising out of the Survey, the requisite technical advice was provided by other officers at Headquarters. The present report was drafted by Dr. J. N. Mongia, who received valuable assistance from Shri P. D. Gupta, Investigator Grade I. Sarvashri O. P. Oberoi and R. K. Pant, Computers, assisted in computation of data. The field investigations were carried out by Sarvashri S. N. P. Yadav, Harjinder Singh, S. L. Sahni, A. K. Mitra, S. K. Rao, R. K. Kapoor, A. Chatterjee and A. S. Parmar under the supervision of Sarvashri H. G. Gupta, K. Lakshminarayanan and Harbans Singh Harar. Shri B. N. Srivastava, Deputy Director and Shri K. D. Chatterjee, Senior Deputy Director, took considerable pains in going through the Report and suggesting improvements in the analysis and presentation of the data in the report. To these all my thanks are due.

The views expressed in this report are not those of the Ministry of Labour, Employment and Rehabilitation, (Department of Labour and Employment), Government of India.

LABOUR BUREAU, SIMLA

Dated the 16th April, 1966.

K. C. SEAL

DIRECTOR

CHAPTER I

INTRODUCTION

Ship Building and Repairing Industry is of vital importance from the point of view of defence, trade and commerce and provides gainful employment to a large number of workers. The number of ship building and repairing factories in India, which was 16 in 1950, had risen to 52 by 1961, recording a more than three-fold increase. Employment strength of the Industry also increased about three times during the same period.

1.1. Location and Growth of the Industry in India

India's long coast line and broad navigable rivers are largely responsible for her Ship Building Industry which has been in existence since times immemorial. In the days of the East India Company, fine sailing ships were built in India which did splendidly in the British fleet as well as in the mercantile marine. However, the position changed materially when wooden sailing vessels were replaced by steel-made steam-driven ships as a result of the epoch-making improvements in marine construction technique which took place in the mid-19th century. The introduction of steam navigation changed the very nature of ship building and India found herself greatly handicapped in this matter presumably because of lack of technical know-how. It was not until the submarine menace of the First World War that the attention of the Government of India was drawn to the necessity of maintaining a regular fleet of steamers for the commerce of the country as well as for naval defence. It was realised that India must have comprehensive facilities for the building of such vessels within its own territory and consequently, a large number of steamship companies established ship building and repairing factories. However, it was not till 1941 that the foundation-stone of the first Indian shipyard was laid at Visakhapatnam, midway between Calcutta and Madras ports. After interruptions owing to the Second World War, the construction work was completed in 1946 and it was from this yard that the first 8,000 dw. ton ship S. S. "Jalausha" was launched in March, 1948. The Shipping Policy Committee set up by the Government of India had recommended that India must attain the target of 2 million tons by 1955 whereas the aggregate Indian shipping at the end of 1951 stood at 384 thousand gross tons only. With the object of bridging this gap the Hindustan Shipyard Ltd., a private limited company in which the Government had a two-third share with Scindia's one-third, was formed. The new Company took over the management of the shipyard from the 1st of March, 1952.

The development of the Ship Building Industry was given great weightage in the First Five Year Plan, at the end of which, the total Indian-owned tonnage was about 480 thousand G.R.T. The Second Plan proposed a target of about 0.9 million G.R.T. which was fully achieved. During the First Five Year Plan a sum of Rs. 18.7 crores was spent on the shipping programmes. The expenditure in the Second Plan was of the order of Rs. 52 crores, whereas a provision of Rs. 55 crores has been made for shipping in the Third Five Year Plan. The growth of the Indian Ship Building Industry in recent years is reflected in Statement 1.1. which gives details of the number of factories and workers employed, State-wise, from 1950 onwards.

STATEMENT 1.1
*State-wise Distribution of Ship Building and Repairing Factories in India and Average Daily Employment therein**
 (1950-1961)

Year	Andhra Pradesh	Bihar	Gujarat	Kerala	Madras	Maharashtra	West Bengal	Others	Total
1	2	3	4	5	6	7	8	9	10
1950	.	.	3(296)	—	5(809)	2(7,357)	4(2,082)	1(99)	16(11,212)
1951	.	2(514)	1(350)	—	8(4,313)	9(5,572)	21(12,638)	—	41(23,387)
1952	.	2(525)	3(239)	—	8(4,112)	9(6,516)	21(13,059)	—	43(24,451)
1953	.	1(166)	3(314)	—	3(288)	16(11,514)	22(13,319)	—	47(28,810)
1954	.	2(2,964)	3(295)	—	5(823)	16(11,571)	19(12,982)	1(250)	48(29,490)
1955	.	2(3,258)	2(476)	—	5(766)	16(11,903)	17(12,117)	1(250)	43(28,770)
1956	.	2(4,098)	3(594)	2(353)	4(988)	17(11,623)	23(14,371)	1(8)	52(32,035)
1957	.	2(4,832)	3(723)	3(879)	4(1,130)	13(11,805)	23(14,419)	1(8)	49(33,796)
1958	.	3(4,673)	3(706)	1(143)	4(957)	14(12,223)	26(13,806)	2(28)	53(32,536)
1959	.	3(4,614)	2(447)	1(274)	4(1,010)	12(10,079)	26(13,412)	3(373)	51(30,209)
1960	.	4(4,763)	5(519)	1(240)	1(160)	11(11,823)	23(13,560)	2(97)	48(31,174)
1961	.	7(5,128)	5(340)	2(234)	1(151)	10(12,464)	24(13,056)	3(141)	52(31,514)

*Upto 1955, the information relates only to factories covered under the Factories Act, 1948 and submitting returns and from 1956 onwards, it relates to all working factories covered under the Factories Act.

Source: (1) Indian Labour Year Book upto 1958, and Statistics of Factories for 1959 to 1961.

It will be seen from the Statement (1.1) that judged from the number of persons employed as well as the number of factories, the Industry is mainly concentrated in the State of West Bengal and Maharashtra with Andhra Pradesh trailing behind.

1.2. Genesis of the Survey

The first comprehensive survey of conditions of labour in various industries in India, on a country-wide basis, was conducted by the Royal Commission on Labour during 1929-31. Its report and findings formed the basis of various ameliorative measures. After a lapse of over a decade, *i.e.*, in 1944, the Government of India appointed another Committee, namely, the Labour Investigation Committee, to enquire into the conditions of labour in all important industries. The Committee conducted, in 1944-45, detailed investigations in 38 industries, and besides a main report on labour conditions in general, published individual reports in respect of various industries. At the time of the Labour Investigation Committee's Enquiry, the Ship Building and Repairing Industry in India (hereafter referred to as the Ship Building Industry) was, however, just beginning to emerge and had not developed sufficiently to merit inclusion in the list of important industries surveyed by the Committee. The Committee's reports proved to be a useful source of information required for the formulation of labour policy. The years that followed witnessed many changes of far-reaching significance. For instance, many legislative measures were adopted to improve working and living conditions and several schemes were introduced for promoting welfare and social security of workers. The setting up of the adjudication machinery also led to improvement in conditions of work and increase in wages in various industries. Above all, the attainment of Independence by the country gave a new status to the working classes. In view of these developments, the Ministry of Labour as well as the Planning Commission considered it necessary that a fresh comprehensive survey of labour conditions in various industries should be conducted so that it may be possible to assess the effects of the various measures adopted in the past and obtain a precise picture of the existing conditions and problems of labour for purposes of deciding the future course of action. Accordingly, a scheme for the conduct of a Survey of Labour Conditions was included in the Second Five Year Plan, and the Labour Bureau, Simla, was entrusted with the execution of this scheme.

1.3. Scope and Design

A note attached to the Report (Appendix) gives details relating to the sample design and method of estimation adopted. The scope of the Survey was confined to establishments registered under the Factories Act, 1948 and since such establishments had pockets of concentration, it was considered desirable to plan the Survey in such a manner that separate estimates become available for each such Centre of concentration. In view of the location of a considerably large number of units of the Industry in the States of Maharashtra and West Bengal, these two States were treated as separate strata. All other ship building and repairing factories (hereafter referred to as ship building factories) in the country were clubbed together to form the Residual stratum.

For purposes of drawing the samples, units of the Industry were divided into two size groups—large and small, using the cut-off point as 540, which was approximately equal to the average size of employment. The sampling fraction adopted was 25 per cent. for the large-size and 12½ per cent. for the small-size.

cent. for the small-size factories. But in Maharashtra and the Residual Group the total number of units was very small and consequently it was considered desirable to increase the sample size to obtain reliable results. The sampling fraction adopted for large factories in Maharashtra was 50 per cent. and for small ones, $33\frac{1}{3}$ per cent. In the Residual Group, the fraction was 50 per cent. for large-size units and 25 per cent. for small-size factories. Further details relating to sample design and method of estimation appear in the Appendix.

Statement 1.2. shows the number of ship building factories together with the number of workers employed therein (a) in the frame, (b) in the sample, and (c) in the sample actually covered.

STATEMENT 1.2

Number of Ship Building Factories and Workers in the Frame, Sample, Etc.

Centre	In the Frame* (1959)		In the Sample Selected		In the Sample Actually Covered	
	Number of Factories	Number of Workers	Number of Factories	Number of Workers	Number of Factories	Number of Workers
1	2	3	4	5	6	7
1. Maharashtra .	10	5,636	4	2,462	4(40.00)	2,462 (43.68)
2. West Bengal .	26	13,412	4	3,169	4(15.38)	3,169(23.63)
3. Residual .	11	6,157	3	808	3 (27.27)	808(13.12)
4. ALL-INDIA .	47	25,205	11	6,439	11(23.40)	6,439(25.55)

NOTE:—Figures within brackets in Columns 6 and 7 are percentages to the total number of factories and workers as given in Columns 2 and 3.

*The frame relates to the list of factories for the year 1959. For a few States for which the 1959 lists were not available at the time of drawing the sample, lists for the latest year available were used. Hence the figures in columns (2) and (3) may not tally with the corresponding figures for 1959 in Statement 1.1.

From the figures given in the Statement (1.2) it would be seen that the Survey ultimately covered nearly 23 per cent. of the ship building factories and about 26 per cent. of the workers employed therein. Since only those factories which featured in the frame were included in the sample, and it was not possible to take account of the new factories which came into being till the start and during the period of the Survey, the information given in this Report should be treated to relate to conditions in the factories which were in existence during the period to which the frame relates (*i.e.*, 1959) and which continued to exist at the time of the Survey.

The data were collected by personal visits of the field staff of the Bureau. With a view to testing the schedule and instructions prepared for the Survey

as also to impart training to the field staff, a pilot enquiry was conducted in September and October, 1959. On the basis of the experience of this enquiry, the schedule* and instructions were suitably revised. The main field enquiry in this Industry was launched in July, 1961 and was completed in October the same year. Since the enquiry was conducted during 1961, the data, except where specifically mentioned, should be treated to relate to this period.

*The schedule used for the Survey has been published in the reports relating to Silk and Jute Industries.

CHAPTER II

EMPLOYMENT

2.1. Composition of the Working Force

During the course of the present Survey, with a view to ensuring comparability as well as uniformity of statistics collected from different sampled establishment, data pertaining to the composition of the working force were collected for a fixed date, *i.e.* June 30, 1961. The Survey results show that, on this date, the estimated total number of workers employed in the Ship Building Industry, as a whole, was about 36.8 thousand. This estimate differs from the similar figures collected under Factories Act (*i.e.* 31,514) for the year 1961, because of the fact that the former relates to a particular point of time, whereas the Factories Act figures represent the average daily employment during the year. Secondly, the Survey estimate includes even those employees who were not deemed to be covered under the Factories Act—though their number was only 766 (2.08%) on the specified date—whereas the latter does not take such employees into account.

2.1.1. Distribution by Broad Occupational Groups

For purposes of the present Survey, the internationally accepted classification* of workers was followed, according to which workers have been classified into the following categories :—

- (a) Professional, Technical and Related Personnel.
- (b) Administrative, Executive and Managerial Personnel.
- (c) Clerical and Related Workers (including Supervisory).
- (d) Production and Related Workers (including Supervisory).
- (e) Watch and Ward and Other Services.

Based on the above classification, the number of workers falling in different occupational groups is given in Statement 2.1.

STATEMENT 2.1

Estimated Percentage Distribution of Workers in the Ship Building Industry by Broad Occupational Groups
(June, 1961)

Centre	Total Number of Workers	Professional, Technical and Related Personnel	Administrative, Executive and Managerial Personnel	Clerical and Related workers (including Supervisory)	Production and Related Workers (including Supervisory)	Watch and Ward and Other Services
1	2	3	4	5	6	7
1. Maharashtra	7,692	3.5	0.2	7.3	84.5	4.5
2. West Bengal	18,169	3.0	0.8	7.1	82.3	6.8
3. Residual	10,950	2.3	†	3.7	92.8	2.2
4. ALL-INDIA	36,811	2.9	0.5	6.1	85.9	4.6

NOTE— Figures relate to Workers 'covered' as well as 'not covered' under the Factories Act, 1948.

†Negligible.

*International Standard Classification of Occupations' adopted by the International Labour Organisation.

As in the case of most of other industries surveyed, the working force in the Ship Building Industry comprised predominantly 'Production and Related Workers' who accounted for nearly 86 per cent. of the total. The next important group was of persons employed as Clerical and Related Workers (including supervisory), forming about 6 per cent. of the total, followed by Watch and Ward employees who accounted for 4.6 per cent. of the total working force in the Industry. Professional, Technical and Related Workers and Administrative, Executive and Managerial Personnel constituted the rest.

2.1.2. *Distribution by 'Covered' and 'Not covered' under the Factories Act.*

According to the Factories Act, 1948, a worker is defined as "a person employed directly or through an agency, whether for wages or not, in any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work incidental to, or connected with, the manufacturing process, or the subject of the manufacturing process." During the course of the Survey it was, however, observed that there was no uniformity with regard to the interpretation of the above definition of 'worker' and consequently, while some units had included certain categories of employees among those covered under the Factories Act, other tended to exclude them. Such workers as were not covered under the Factories Act formed only about 2 per cent. of the total. Details of workers covered and not covered, in different broad occupational groups, are given in Statement 2.2. (See Page 8).

There seemed to be no difference of opinion in regard to 'Production and Related Workers (including Supervisory)' and all such workers were considered to be covered under the Factories Act. As regards other groups, the proportion of covered workers in the category of Professional, Technical and Related Personnel was the lowest being only about 63 per cent.

2.2. *Employment of Women*

The employment of women in the Industry was negligible. Though employed about 14 per cent. of the factories they formed a negligible proportion (0.1 per cent.) of the total working force. Women workers were found only in ship building factories in Maharashtra.

Data in respect of the distribution of women workers into various occupational groups were also collected during the Survey. It was observed that about 95 per cent. of the women workers in the Ship Building Industry were engaged on clerical and related jobs; watch and ward and other services accounted for the remaining 5 per cent. The reasons advanced for employment of women were that they were more suitable for operating card punching machines and checking job cards.

2.3. *Child Labour*

During the course of the Survey, none of the sampled units were found to be employing child labour.

2.4. *Time and Piece-rated Workers*

Data were collected in respect of the distribution of 'Production Workers' employed directly as well as through contractors, by methods of payment i.e., time-rates and piece-rates. The Survey has revealed that the system of payment on piece-rates was not in vogue in the Ship Building Industry, all the workers being time-rated.

STATEMENT 2.2

Estimated Percentage Distribution of Workers in the Ship Building Industry Accounting
'Covered' and 'Not Covered' Under the Factories Act, 1948

(June, 1961)

Centre	Professional, Technical and Related Personnel		Administrative, Executive and Managerial Personnel		Clerical and Related Workers (including Supervisory)		Production and Related Workers (including Supervisory)		Watch and Ward and Other Services		Total	
	Covered	Not covered	Covered	Not covered	Covered	Not covered	Covered	Not covered	Covered	Not covered		
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Maharashtra	72.0	28.0	76.2	23.8	81.1	18.9	100.0	—	93.9	6.1	97.3	2.7
2. West Bengal	56.0	44.0	100.0	—	97.9	2.1	100.0	—	100.0	—	98.5	1.5
3. Residual	70.6	29.4	*	*	56.4	43.6	100.0	—	70.6	29.4	97.4	2.6
4. ALL-INDIA	63.4	36.6	97.0	3.0	86.2	13.8	100.0	—	96.6	3.4	97.9	2.1

*Negligible

2.5. Contract Labour

The Survey has revealed that though nearly one-fifth* of the ship building factories in the country were employing workers through contractors, the number of such workers was, however, very small and accounted for an insignificant proportion of all 'Production Workers' in the Industry.

Contract labour was generally employed only for such items of work as were essentially of intermittent nature, such as loading and unloading. They were also engaged as helpers for certain repairing jobs. The main reason given by employers for the employment of such workers was the temporary nature of jobs for which it was economical to employ contract labour.

2.6. System of Recruitment

According to the present Survey, a vast majority of workers in the Industry (about 96%) were found to have been recruited directly—63 per cent. at the factory gate, 32 per cent. through Labour Office and 1 per cent. through Departmental Heads. The rest of the working force (roughly 4%) was recruited through such media as Employment Exchanges, advertisements, etc. Happily, there was no recruitment at all through intermediaries, as revealed by the Survey.

The system of recruitment at the factory gate was most popular in the Residual Group, where all employees were found to have been so recruited, and in Maharashtra where nearly 97 per cent. of the total recruitment had been done in this manner. In West Bengal, however, only about 29 per cent. of the employees were so recruited. Labour Offices in this Centre were found to be playing a prominent role in recruitment since nearly 64 per cent. of the workers had been engaged through them.

2.7. Employment Status

During the course of the Survey, information pertaining to the classification of directly employed 'Production Workers' into different categories according to employment status was also collected and is presented in Statement 2.3. It may be pointed out that under the Industrial Employment (Standing Orders) Act, 1946, classification of workers into various categories is obligatory for units employing 100 or more workers. In the case of those units where framing of such Orders was not obligatory or the same had not otherwise been framed, reliance had to be placed on the version of the managements regarding the employment status of their workers.

STATEMENT 2.3

Estimated Percentage Distribution of 'Production and Related Workers' in the Ship Building Industry by Employment Status

(June, 1961)

Centre	Total Number of 'Production Workers'†	Percentage Distribution of Workers					
		Perma- nent Workers	Proba- tioners	Tempo- rary Workers	Badlis	Casual Workers	Appre- ntices
1							
1. Maharashtra	6,498	72.1	—	1.6	—	20.1	6.2
2. West Bengal	14,800	75.8	—	14.2	—	4.7	5.3
3. Residual	10,163	28.7	—	13.5	—	54.4	3.4
4. ALL-INDIA	31,461	59.8	—	11.4	—	24.0	4.8

† Covered under the Factories Act 1948 and employed directly excluding 118 unpaid workers.

*They were some small establishments in West Bengal.

It is estimated that about 60 per cent. of the 'Production Workers' in the Industry were permanent, 11 per cent. temporary and 24 per cent. casual. The remaining 5 per cent. were apprentices. There were no *badlis* or probationers. The proportion of permanent workers was the highest in West Bengal (about 76%) followed by Maharashtra (nearly 72%). In the Residual Group, however, only about 29 per cent. of the 'Production Workers' enjoyed permanent status. The percentage of temporary workers was about 14 each in the Residual Group and West Bengal, but in Maharashtra it was only about 2. As against this casual workers accounted for as many as about 54 per cent. of the 'Production Workers' in the Residual Group of factories and 20 per cent. in Maharashtra. Their percentage in West Bengal was, however, only about 5. The proportion of permanent workers was higher in large factories as compared to small ones whereas the position was reverse in case of temporary persons.

2.8. Length of Service

A study of distribution of directly employed 'Production Workers' according to length of service was also made during the present Survey. Wherever managements maintained any records showing the date of appointment of their employees (e.g., service cards, leave records, etc.) the information was collected from such records, but in their absence, the version of the managements was relied upon. Data collected are presented in Statement 2.4.

STATEMENT 2.4

Estimated Percentage Distribution of 'Production and Related Workers' in the Ship Building Industry According to Length of Service
(June 1961)

Length of Service	Percentage Distribution					
	1 year and below	1 year and above but less than 5 years	5 years and above but less than 10 years	10 years and above but less than 15 years	15 years and above but less than 20 years	20 years and above
1. Maharashtra	14.1	21.9	13.1	7.6	11.3	30.9
2. West Bengal	14.00	12.4	9.5	12	41.9	10.3
3. Residual	10.153	33.7	7.9	2.3	4.7	21.3
4. ALL-INDIA	31,461	31.4	9.7	13.8	23.2	22.2

*Covered under the Factories Act, 1948 and employed directly, excluding 118, unpaid workers.

It will be seen from the Statement (2.4) that as many as 31 per cent. of the 'Production Workers' in the Industry were having less than one year's service to their credit on June 30, 1961. On the other hand, the high figure of about 45 per cent. of those who had put in 10 or more years' service in the Industry reflects that there was considerable stability in the working force. Those falling in the group "1 year and above but less than 5 years" service constituted about 10 per cent., while workers having 5 years' and above but less than 10 years' service comprised roughly 14 per cent. of the total.

As among the different Centres, Residual Group had the highest percentage (about 64) of workers with less than one year's service. For the last category also, i.e., of workers with a service of 15 years and above, the percentage for the Residual Group of factories was significant, being about 21. Maharashtra was ahead of the other two Centres in respect of workers with service of 5 years but less than 10 years (nearly 21%). In the group '15 years and above' also it was on top, with as many as nearly 31 per cent. of the employees in this group. West Bengal had the highest percentage (about 41) of workers who had put in service of 10 years and above but less than 15 years.

2.9. Absenteeism

Data pertaining to absenteeism were collected only in respect of 'Production Workers' employed directly, excluding casual, *badli* and unpaid workers. Since figures were collected for a period of the preceding twelve months it was not possible to find out all cases of quits* and genuine absences. For this reason, the rate of absenteeism reflected in Statement 2.5, it is felt, is rather on the high side.

STATEMENT 2.5

Estimated Absenteeism Rate† in the Ship Building Industry
(During July, 1960 to June, 1961)

Month	Maha- rashtra	West Bengal	Residual	ALL- INDIA
1	2	3	4	5
1960				
July	14.2	14.0	12.9	13.5
August	14.0	12.2	12.2	13.2
September	13.7	10.1	12.6	11.5
October	14.4	11.9	12.4	12.6
November	13.1	8.1	12.8	10.0
December	15.7	10.9	12.8	12.3
1961				
January	17.0	9.2	15.5	12.3
February	18.9	12.5	15.3	14.4
March	20.4	11.6	16.0	14.4
April	22.4	12.8	14.7	15.4
May	26.3	15.7	16.1	18.1
June	16.7	13.9	14.3	14.6
Over all	17.3	12.1	13.8	13.5

*Quits are termination of employments initiated by employees because of acceptance of jobs elsewhere, dissatisfaction, marriage, maternity, ill-health, unauthorised absence etc.

†Percentage of man-days lost to the man-days scheduled to work.

In the country, as a whole, the absenteeism rate in the Industry ranged between 10.0 and 18.1 per cent., the average for the year being 13.5. Speaking of different Centres, the overall absenteeism rate was the highest in Maharashtra, being 17.3 per cent. and the lowest in West Bengal (about 12%). Monthly variations seem to be largely due to such factors as link of workers with agricultural operations (e.g., sowing and harvesting) as also religious and social functions, festivals, etc. Since the record of absences by causes was usually not maintained by the managements, it was not possible to collect statistics of absences by causes. However, the general information which could be gathered from various sources indicates that the high rate of absenteeism during the months February to June, 1961 could be due to the harvesting and marriage seasons when workers went to their native places.

Some of the factories surveyed in West Bengal had introduced weekly and annual attendance bonus schemes for checking the high rate of absenteeism. Weekly attendance bonus was payable to those who were present on all the six days in the week while such employees as did not absent themselves from duty for more than 24 days in a year were entitled to receive annual attendance bonus. In other Centres, however, no special measures were found to have been adopted except that verbal warnings were given to habitual absentees.

2.10. Labour Turnover

Data regarding labour turnover in the Industry were also collected in respect of the same categories of workers as in the case of absenteeism. Statement 2.6 gives the rates of accessions and separations for the twelve months ending June, 1961, as revealed by the present Survey.

STATEMENT 2.6

Estimated Monthly Rates of Accessions and Separations in the Ship Building Industry

(During July, 1960 to June, 1961)

Months	Rate of Accession				Rate of Separation			
	Maha-rashtra	West Bengal	Resi-dual	ALL-INDIA	Maha-rashtra	West Bengal	Resi-dual	ALL-INDIA
1	2	3	4	5	6	7	8	9
July	0.5	1.1	0.0	0.8	0.8	1.3	0.0	1.0
August	0.4	0.8	1.0	0.7	0.4	8.7	0.4	5.4
September	0.4	0.5	0.3	0.4	0.4	1.0	—	0.7
October	0.4	1.6	4.0	1.8	0.6	1.3	0.5	1.0
November	0.4	0.6	0.3	0.5	0.1	1.1	—	0.7
December	5.5	3.9	0.2	3.5	0.8	2.5	—	1.7
January	0.7	1.5	0.2	1.1	0.4	1.8	0.2	1.2
February	1.0	1.6	—	1.2	5.5	1.8	—	2.3
March	2.8	0.7	0.4	1.1	0.2	1.0	0.2	0.7
April	0.2	1.3	9.2	2.5	0.4	2.1	0.2	1.4
May	0.2	3.4	4.0	2.8	0.2	2.0	0.2	1.3
June	0.1	4.5	—	2.7	0.4	0.9	0.7	0.8
Overall	1.0	1.8	1.6	1.6	0.8	2.1	0.2	1.5

The Statement (2.6) shows that the rate of labour turnover was not high in the Ship Building Industry, both in respect of accessions as well as separations. While the overall rate of accession for the Industry, as a whole, was about 1.6, the separation rate was 1.5, thus indicating a slight tendency towards an expansion of the working force. In the country as a whole, the accession rate varied from about 0.4 to 3.5, while the range of variation for separations was between 0.7 and 5.4. As would be seen from Statement 2.6 the rate of separations was quite high in the month of August, 1960. This was due to the fact that in one large unit in West Bengal, as many as 207 workers were discharged during this month; they were temporarily engaged to ease the work-load on the regular employees. Taking the different Centres into account, the overall rates of accession and separation were the highest for West Bengal, being about 1.8 and 2.1, respectively. Labour turnover in factories in Maharashtra was the least, the accession and separation rates there being only about 1.0 and 0.8, respectively.

In the course of the Survey an attempt was also made to collect statistics relating to separations by causes and the same are presented in Statement 2.7.

STATEMENT 2.7

Estimated Percentage Distribution of Separations By Causes in the Ship Building Industry

(During July, 1960 to June, 1961)

Centre	Causes		
	Discharge or Dismissal	Quits	Retirement or Death
1	2	3	4
1. Maharashtra	82.3	12.3	5.4
2. West Bengal	74.5	23.2	2.3
3. Residual	29.6	—	70.4
4. ALL-INDIA	74.5	21.3	4.2

It is evident from the Statement that dismissals and discharges were the predominant cause of separations in the Industry accounting for about 74 per cent. of them. Quits were responsible for nearly 21 per cent. of the separations.

2.11. Training and Apprenticeship

Information collected during the course of the Survey shows that the system of providing training to operatives was in vogue in about 36 per cent. of the units in the Ship Building Industry, all of which happened to be large establishments. As many as about 90 per cent. of the factories providing training were found to have made regular arrangements for the purpose; in the rest, *ad-hoc* schemes were in operation.

Training was being imparted for such jobs as turner, fitter, blacksmith, carpenter, welder, moulder, glass cutter, electrician, motor mechanic and draughtsman. The period of training varied from two months to five years

depending upon the nature of trade and the degree of skill aimed. Written contracts existed in about 40 per cent. of the units providing training facilities, whereas, in the remaining 60 per cent. there were no contracts. In about 48 per cent. of the factories practical training was supplemented by theoretical courses also. In most of the units, some allowance was being paid to the trainees, the rate of which varied from 37 paise per day to Rs. 250/- per month, plus dearness and other allowances. There was, however, no undertaking on the part of managements to provide employment on completion of training.

CHAPTER III

WAGES AND EARNINGS

3.1. Wage Revisions

Information collected during the course of the Survey indicates that there has been no standardisation of wage rates in the Ship Building Industry either on an all-India or regional basis and the wage structure existing at the time of the Survey was found to have developed on the basis of factors like the prevailing wage rates in the area, collective bargaining, conciliation, adjudication, etc. For purposes of studying recent influences on the wage structure, information was collected on the number of wage revisions in each sampled establishment, since 1956, and the methods through which revisions were effected. The results show that wages had been revised in about two-thirds of the units in the Industry. Nearly 87 per cent. of such factories had done so once, and the rest of the factories had effected two wage revisions during the period under reference.

Of the wage revisions in the Industry since 1956, about 30 per cent. were brought about by the managements voluntarily, nearly 26 per cent. through awards, whereas roughly 23 per cent. were the outcome of Pay Commission's recommendations. About 15 per cent. of the wage revisions in the Industry were the result of executive orders of the Central or State Governments and the remaining about 6 per cent. were in terms of agreements reached between employers and employees.

3.2. Pay Periods

Data collected on this point show that a majority of workers in the Ship Building Industry (about 64%) received their pay packets once in a month. About 32 per cent. of the working force was paid fortnightly and the rest (nearly 4%) weekly. Statement 3.1 shows the distribution of workers according to different pay periods in the three Centres.

STATEMENT 3.1

Estimated Percentage Distribution of Workers in the Ship Building Industry, According to their Pay Periods*
(June, 1961)

Centre	Percentage of Workers Whose Pay Period was		
	Month	Fortnight	Week
1	2	3	4
1. Maharashtra	100.0	—	—
2. West Bengal	27.5	65.3	7.2
3. Residual	100.0	—	—
4. ALL-INDIA	64.1	32.4	3.5

*Covered under the Factories Act and employed directly.

It would be seen that whereas in Maharashtra and in the Residual Group of factories all employees were monthly-paid, in West Bengal, such workers formed only about 28 per cent. of the total. The system of fortnightly payments was quite popular in West Bengal where nearly 65 per cent. of the workers, all of whom were employed in large factories, were so paid; the remaining 7 per cent. working in small units, received their wages once in a week.

3.3. Earnings

Information relating to man-days worked and the basic wages, dearness allowance and other emoluments earned by workers during a pay period preceding the specified date (*i.e.*, June 30, 1961), was collected from each of the sampled units. The data relate to workers covered under the Factories Act. Since 'Production Workers' constituted the bulk of the working force, information in respect of this group was intended to be collected separately for men, women and children. However, as stated elsewhere, in the Ship Building Industry child labour was absent and no women were employed as 'Production Workers'. Data relating to earnings of workers by occupations were not collected as the Labour Bureau had already conducted a detailed Occupational Wage Survey in 1958-59.

3.3.1. Earnings of 'All Workers' and 'Production Workers'.

Based on the results of the present Survey, the average daily earnings of a worker in the Ship Building Industry have been estimated at Rs. 7.29 during June, 1961. Details are presented in Statement 3.2.

STATEMENT 3.2

Estimated Average Daily Earnings of Workers in the Ship Building Industry
(June, 1961)

Centre	All Workers*	(In Rupees)
		Production Workers†
1	2	3
1. Maharashtra	9.32	8.24
2. West Bengal	7.94	6.46
3. Residual	4.76	4.55
4. ALL- INDIA	7.29	6.20

*Covered under the Factories Act whether employed directly or through contractors.

†Covered under the Factories Act and Employed directly.

The average daily earnings of 'all workers' were the highest in Maharashtra (Rs. 9.32) and the lowest in the Residual Group of factories (Rs. 4.76 only). In West Bengal, they were Rs. 7.94. As between large and small group of factories at the all-India level, such earnings in the former category were higher than those in the latter.

Taking the 'Production Workers' alone into account, their over-all average earnings were lower, being Rs. 6.20, as compared to those of all workers'. The same position obtained in all the three Centres of the Industry. This was so because of the impact of higher pay of managerial, technical and administrative personnel on the earnings of 'all workers'. It was

noticed that the earnings of 'all workers', as well as of 'Production Workers' were higher in large factories and lower in small ones.

3.3.2. Earnings of the lowest-paid 'Production Workers'

In the Ship Building Industry, the least remunerative occupations were observed to be those of *mazdoors*, *Khalasis* and bellows bodys. During the course of the Survey, data in respect of the earnings of such workers were collected separately. The average daily earnings of the lowest-paid 'Production Workers', *vis-a-vis* 'all Production Workers' and 'all workers' are given in Statement 3.3.

STATEMENT 3.3

Estimated Average Daily Earnings of the Lowest-paid 'Production Workers' and Others in the Ship Building Industry

(June, 1961)

(In Rupees)

Centre	Average Daily Earnings of		
	Production Workers	Lowest-paid Production Workers	All Workers
1	2	3	4
1. Maharashtra	8.24	6.29	9.32
2. West Bengal	6.46	3.74	7.94
3. Residual	4.55	2.07	4.76
4. ALL-INDIA	6.20	3.30	7.29

It will be seen from the Statement (3.3) that the average daily earnings (Rs. 3.30) of the lowest-paid 'Production Workers' in the Industry formed only about 45 per cent. of those of 'all workers' and about 53 per cent. of the earnings of 'Production Workers'. In Maharashtra, in keeping with the general trend of high earnings of 'all workers' (Rs. 9.32) and 'Production Workers' (Rs. 8.24), the earnings of the lowest-paid 'Production Workers' were also substantial, being as much as Rs. 6.29 a day.

3.3.3. Earnings of Clerical and Watch and Ward Staff.

In the course of the Survey, separate information was collected in respect of the earnings of clerical and watch and ward staff. The data are presented in Statement 3.4.

STATEMENT 3.4

Estimated Average Daily Earnings of Clerical and Watch and Ward Staff in the Ship Building Industry

(June, 1961)

(In Rupees)

Centre	Clerical and Related Workers (including Supervisory Staff)	Watch and Ward and Other Services
1	2	3
1. Maharashtra	14.09	6.92
2. West Benga	15.14	4.03
3. Residual	4.55	3.75
4. ALL-INDIA	13.68	4.67

The average daily earnings of clerical and related workers in the Industry (including supervisory staff) were Rs. 13.68, at the all-India level. Their earnings were the highest in West Bengal (Rs. 15.14), and the lowest in the Residual Group of factories (Rs. 4.55). Thus, whereas, in West Bengal and Maharashtra, the clerical and related workers earned considerably higher wages than 'Production Workers' as well as 'all workers', in the Residual group of factories their earnings were just equal to those of 'Production Workers' and a little less than those of 'all workers'. As regards Watch and Ward Staff, they earned, on an average, Rs. 4.67 per day. As such, they earned, in all Centres, lower wages than 'Production Workers' though their earnings were higher than those of the lowest-paid 'Production Workers' in all the three Centres.

3.4. Components of Earnings

The present Survey has shown that almost the whole of the pay packet of a ship building factory worker in India consisted of basic wages and dearness allowance. Other allowances constituted a small proportion of the total earnings of the workers. A break-up of the total earnings of the workers is presented in Statement 3.5. (See page 19).

3.4.1. Basic Earnings

The basic earnings, i.e., the basic wages and dearness allowance, or the consolidated wages, accounted for as much as 86.4 per cent. of the total earnings of workers in the Industry, as a whole. It was also observed that the proportion of consolidated wages to total earnings was higher in small establishments than in the large ones, in all the Centres.

It has been estimated that 70 per cent. of the ship building factories in the country were paying a separate dearness allowance to their employees. Separate dearness allowance was being paid in all the factories located in Maharashtra, about 65 per cent. of the units in West Bengal and 60 per cent. in the Residual Group. The factories which were not paying a separate dearness allowance were all small establishments.

A majority of ship building factories paying a separate dearness allowance i.e. about 57% (comprising all units in the Residual Group, about 53 per cent. of those in W. Bengal and 29 per cent. in Maharashtra) were found to have fixed different rates for different income slabs. In about 18 per cent. of the units made up of about 21 per cent. of the factories in Maharashtra and 24 per cent. in West Bengal, dearness allowance was being paid according to slab rates to certain categories of workers like supervisory, clerical and managerial staff, etc., and at a flat rate to 'Production Workers'. The remaining about one-fourth of the factories paying a separate dearness allowance, comprising 50 per cent. of the units in Maharashtra and 23 per cent. in West Bengal had linked the same with Consumer Price Index Numbers, though some of them were having flat and slab rates also for certain categories of workers.

3.4.2. Production/Incentive Bonus.

The results of the present Survey reveal that only the two large factories covered in West Bengal, constituting about 18 per cent. of all factories, had introduced schemes for the payment of production/incentive bonus. In both the units, the schemes applied to 'Production Workers' and clerical and

STATEMENT 3.5
Estimated Average Daily Earnings by Components of Workers in the Ship Building Industry

(June, 1961)

(In Rupees)

1	2	3	4	5	6	7	8	9	10
	Basic Earnings (Basic Wages and Dearness Allowance or Consolidated Wages)	Production Incentive Bonuses	Night-shift Allowance	House Rent Allowance	Transport Allowance	Overtime Pay	Other Cash Allowances	Other Concessions	Total
1. Maharashtra	7.93 (85.1)	—	—	0.26 (2.8)	0.04 (0.4)	0.50 (9.7)	0.18 (1.9)	0.01 (0.1)	9.32
2. West Bengal	6.91 (87.0)	0.26 (3.3)	0.01 (0.1)	0.03 (0.4)	0.04 (0.5)	0.53 (6.7)	0.16 (2.0)	*	7.94
3. Residual	4.11 (36.3)	—	—	0.17 (3.6)	—	0.39 (8.2)	0.09 (1.9)	—	4.76
4. ALL-INDIA	6.30 (86.4)	0.13 (1.8)	*	0.12 (1.7)	0.05 (0.4)	0.57 (7.8)	0.14 (1.9)	*	7.29

NOTE.—Figures within brackets are percentages.

*Less than Re. 0.005.

watch and ward staff. In one of these units, one day's basic pay was paid every fortnight if the standard output was kept up. In the other factory, a sliding scale had been introduced for payment of incentive bonus. Starting at a 38 per cent. Index of Productivity, at which one day's basic pay was paid as a fortnightly bonus, the rate went up to 6 days' basic pay for a 100 per cent. Index. However, the data collected show that during June, 1961 the average earnings of workers in the Industry on account of production/incentive bonus were only Re. 0.13 per day which constituted an insignificant proportion of the total earnings.

3.4.3. *Night Shift Allowance.*

Night shift allowance was also being paid in the same two large factories in West Bengal (about 18% of all factories) which were paying production/incentive bonus. Only 'Production Workers' were eligible for this allowance, which was paid, in both the units, at the rate of 9/16th of the basic pay. The contribution which this allowance made to the average daily earnings of workers in the Industry was, however, almost nil.

3.4.4. *House Rent Allowance.*

The percentage of ship building factories paying house rent allowance to their employees was about 52. Such units were scattered in all the three centres of the Industry. In a majority of cases, house rent allowance was being paid only to Professional, Technical, Administrative and Watch and Ward Staff. However, in some cases, all workers or all regular employees were found to be receiving this benefit. The rates of house rent allowance being paid varied from Rs. 4 p.m. in the case of watch and ward employees to Rs. 100 p.m. for senior officials. However, the impact that house rent allowance had on the total earnings of workers was not significant. The average daily earnings attributable to this component were only Re. 0.12.

3.4.5. *Transport or Conveyance allowance.*

Information collected during the Survey shows that nearly one-fourth of the factories in the country, comprising 50 per cent. of those located in Maharashtra and about 30 per cent. of the units in West Bengal, were paying transport or conveyance allowance. In most of these units, the benefit was restricted to senior administrative, technical and managerial staff or covenanted officers. The rate for them was as high as between Rs. 50 and Rs. 275 per month. However, in two factories in Maharashtra, all 'Production Workers' in one and all workers in the other, were getting conveyance allowance.

During June, 1961, workers in the Ship Building Industry earned only a meagre amount (Re. 0.03) by way of transport or conveyance allowance which, evidently, formed a negligible proportion of their total daily earnings.

3.4.6. *Overtime Pay*

Workers were often required to do overtime work in the Ship Building Industry as is revealed by the considerable amount (Re. 0.57 per day) earned as overtime pay. This amount included the normal wage for overtime work as also the overtime premium. Overtime earnings were the highest in factories in Maharashtra being, on an average, Re. 0.90 per day. Earnings on account of this component in West Bengal and the Residual Group

of factories were Re. 0.53. and 0.39, respectively. At the all-India level, overtime pay comprised about 8 per cent. of the total daily earnings of workers in the Industry.

3.4.7. *Concessions in Kind.*

No concessions in kind were being enjoyed by workers of ship building factories in India except that in one large unit in West Bengal, welders were being provided free milk at the rate of one pound per head per day.

3.4.8. *Attendance Bonus.*

Only two large factories in West Bengal, constituting about 18 per cent. of all units, reported payment of attendance bonus. Both these factories were having a weekly attendance bonus scheme as well as an annual attendance bonus scheme, the former being applicable to daily-rated 'Production Workers' and the latter to other 'Production Workers'. Whereas weekly bonus was payable to those who were present for all the six days in a week, annual bonus was paid to those workers who did not absent themselves for more than 24 days in a year. The rate of payment increased as the number of absences in the year went down; for absences up to 12 days in a year, 26 days' basic pay was paid as attendance bonus. However, as the practice of paying attendance bonus was not wide-spread in the Industry, the average daily earnings on account of this item were negligible.

3.4.9. *Other Cash Allowances.*

Certain other allowances such as city compensatory allowance, special allowance, 'bhatta' to those 'Production Workers' who went out of the factory to repair ships, and a cash allowance to those Class III and IV employees who did not take ration at concessional rates, etc., were also being paid in some of the units surveyed. The practice of paying compensatory allowance was found to be common, inasmuch as about two-fifths of the factories surveyed were paying it. One of the two large factories surveyed in West Bengal was paying a variety of allowance, e.g., cycle allowance to a peon bringing dak, fire fighting allowance to trained fire fighters from amongst the security staff, sludge plant attendant allowance to sweepers, duplicating machine allowance to office peon, and ambulance car allowance to the ambulance driver. Besides all these allowances, the company was also paying a special allowance of Rs. 100 per month to its European administrative staff. Although the percentage of factories paying one or more of these allowances was about 86, the average earnings on account of such allowances were rather small, being only Re. 0.14 per day at the all-India level. These earnings did not form any significant proportion of the workers' total earnings. Factories paying these allowances were large as well as small and were located in all the three Centres of the Industry.

3.5. *Profit and Annual Bonuses, etc.*

Details of the various bonuses paid each year to workers in the Ship Building Industry are briefly discussed below :

(i) *Profit-sharing Bonus* : Of all the units surveyed, only one large factory, located in Maharashtra and constituting nearly 5 per cent. of all factories in the country reported payment of profit-sharing bonus. The scheme, which was regular and covered all workers, came into force in 1956 as a result of an agreement between the management and workers. Payment was made according to a sliding scale—for $2\frac{1}{2}$ per cent. dividend $1\frac{1}{24}$ of basic wage and dearness allowance was paid as bonus, for $3\frac{1}{2}$ per cent.

dividend $1/16$ of basic wage and D.A., and for 5 per cent. dividend the rate was $1/12$ of basic wage and D.A. For every additional $1\frac{1}{2}$ per cent. dividend, $1/36$ of basic wage and D.A. was payable as bonus. The only condition attached to bonus payment was that the worker should not have been absent for more than 26 days during the bonus year.

(ii) *Annual Bonus* : Annual or year-end bonus was also being paid in only one of the units surveyed. It was a small factory in Maharashtra. The scheme was framed in terms of a voluntary agreement between workers and management, concluded in 1948. It was regular and covered all categories of employees. The rate of payment was one and a half months' basic wages to 'Production Workers' and one month's basic pay to clerical, supervisory and other staff. The condition laid down for entitlement to annual bonus was at least 120 days' work during the year.

(iii) *Festival Bonus* : The Survey results show that managements of one-fifths of all factories in the Industry were paying festival bonus to their employees. All such units were small and were located in West Bengal. The system of paying festival bonus had been in existence in all these factories for more than ten years at the time of the Survey. The schemes, which had been introduced at the discretion of the managements, were regular everywhere. It was, however, found that only permanent employees were entitled to receive festival bonus. The rate of payment was equal to the pay for the month preceding 'Puja' in case of monthly-paid employees and week preceding 'Puja' in case of weekly-paid workers.

(iv) *Other Bonuses* : The two large factories covered in West Bengal were paying a bonus to some of their employees which was linked with their Enforced Savings Scheme. Under this Scheme, which applied to watch and ward and clerical and supervisory staff, each worker had to save and deposit at the rate of $1/24$ th part of his monthly basic wage every month. The total amount paid to the worker as bonus, at the time of 'Puja' was equal to $1\frac{1}{2}$ times his monthly basic wage, the management contributing to his savings an amount equal to his one month's basic wage. The scheme was regular in both the units; in one it was framed voluntarily by the management and in the other on the basis of an agreement with the workers.

3.6. Fines and Deductions

None of the ship building factories covered during the Survey were found to be imposing fines on workers. However, deductions were being made in 90 per cent. of the units, and everywhere they were in conformity with the Payment of Wages Act. Nevertheless, the percentage of ship building factories maintaining deductions register was low, being only about 24.

CHAPTER IV WORKING CONDITIONS

Working conditions obtaining in Indian industries have all along attracted the attention of the Government of India as well as the State Governments. As a result, the significant improvements in the conditions of work owe a good deal to the legislative enactments, particularly the Factories Act, 1948. The conditions of work obtaining in the Ship Building Industry were studied during the course of the present Survey and the results are discussed in the paragraphs which follow.

4.1. Shifts

The Survey results indicate that about 67 per cent. of the ship building factories in the country were having a single shift. The practice of working double shifts existed in only one of the two large factories surveyed in West Bengal, which represented about 15 per cent. of the units in that Centre and nearly 9 per cent. of the factories in the Industry, as a whole. The rest of the units in the country (roughly 24%) were found working three shifts a day. They were all large establishments. Details are given in Statement 4.1.

STATEMENT 4.1

Estimated Percentage Distribution of Ship Building Factories According to Number of Shifts, etc.

(1961-62)

Centre	Total Number of Factories	Percentage of Factories having			
		One Shift	Two Shifts	Three Shifts	Night Shifts
1	2	3	4	5	6
1. Maharashtra	7	42.9	—	57.1	57.1
2. West Bengal	23	69.6	15.2	15.2	30.4
3. Residual	10	80.0	—	20.0	20.0
4. ALL- INDIA	40	67.5	8.8	23.7	32.5

All the factories working three shifts had invariably, a night shift. In addition, a large factory in West Bengal working two shifts, also had a night shift. The all-India percentage of night-shift-working factories was about 32, all of them being large units. Night shift allowance was paid in the two large factories in West Bengal, while in Maharashtra, in one of the two large units surveyed, night-shift workers worked for 36 hours in a week but were paid for 48 hours, and in the other, 6 hours' overtime payment was made for 48 hours' night work during the week. No special amenity or concession, whatsoever, was reported being paid to night-shift workers in the large factory surveyed in the Residual Group. Excepting about 15 per cent. of the night-shift-working factories, all others had a regular system of transferring workers from day shift to night shift and *vice versa*. The period after which such a change-over was effected was a week in about two-thirds of such factories. While, in the remaining one-third, there was no fixed period of change-over, it being made either after a week or after a fortnight.

4.2. Hours of Work

With the enactment of the Factories Act, 1948, the hours of work for adult workers have been fixed at a maximum of 48 per week and 9 per day. The Chief Inspectors of Factories have been empowered to grant exemption from the above limit of daily hours of work in order to facilitate the change-over in any factory. The data collected during the present Survey show that as many as about 67 per cent. of the ship building factories in the country were working for $8\frac{1}{2}$ hours or $8\frac{1}{2}$ hours a day. In all such units, however, Saturday was a half day so that the weekly hours of work did not exceed the prescribed limit of 48. Of the remaining factories, about 19 per cent. worked for 8 hours a day and the rest (nearly 14%), for $7\frac{1}{2}$ hours daily. In the night-shift-working factories the working hours for the night shift were between 7 and 8 in about 58 per cent. of them, and between 6 and 7 in nearly 15 per cent. Details are presented in Statement 4.2.

STATEMENT 4.2.

Daily Hours of Work in the Ship Building Industry

(1961-62)

Centre	Total Number of Factories	Estimated percentage of Factories Where					
		Daily Hours of Work for majority of Adult Workers were			Night Shift Hours were		
		Equal to $7\frac{1}{2}$	Equal to 8	$8\frac{1}{2}$ or $8\frac{1}{2}$	More than 6 and up to 7	More than 7 and up to 8	More than 8 and up to 9
1	2	3	4	5	6	7	8
1. Maharashtra	7	—	50.0	50.0	50.0	50.0	—
2. West Bengal	23	15.2	—	84.8	—	50.0	50.0
3. Residual	10	20.0	40.0	40.0	—	100.0	—
4. ALL -INDIA	40	13.8	18.7	67.5	15.4	57.7	26.9

*In these factories, every Saturday was an off day.

Contract labour, employed in a few small units in West Bengal, had the same daily and weekly hours of work as for direct labour in the concerned units.

As regards the practice prevailing at the time of the Survey in respect of spread-over and rest intervals in the Ship Building Industry, the data collected appear in Statement 4.3. (See page 25).

It will be seen from the Statement (4.3) that the duration of spread-over during the day shift was 8 hours in about 14 per cent. of the units, 9 hours in 41 per cent. and more than 9 and up to 10 hours in the rest. In the night shift, the spread-over was equal to 8 hours in about 58 per cent. of the factories, 10 hours in nearly 27 per cent. and only $6\frac{1}{2}$ hours in the rest. As regards rest interval during the day shift, in a majority of the factories (about 66%) its duration was $\frac{1}{2}$ hour. About 24 per cent. of the factories allowed a rest interval of one hour and the remaining units (about 10%), of two hours. In the night shift also, half an hour's rest interval was most common. About 15 per cent. of the night-shift-working factories did not provide any rest interval to their night shift workers.

STATEMENT 4.3
Estimated Percentage Distribution of Ship Building Factories According to Duration of Spread-over and Rest Interval, etc.
 (1961-62)

Centre	Percentage of Factories where Duration of Spread-over was for										Percentage of Factories where Duration of Rest Interval was for										
	Total Number of Factories	Day Shift					Night Shift					Day Shift					Night Shift				
		Equal to 8 hours	Equal to 9 hours	More than 9 and up to 10 hours	Equal to 6½ hours	Equal to 8 hours	Equal to 10 hours	Equal to 10 hours	Equal to 1 hour	Equal to 2 hours	Equal to 2 hours	Equal to 1 hour	Equal to 1 hour	Equal to 1 hour	Equal to 1 hour	No rest interval					
1	2	3	4	5	6	7	8	9	10	11	12	13	14								
1. Maharashtra	.	.	.	71.4	28.6	50.0*	50.0	—	21.4	78.6	—	50.0	—	50.0							
2. West Bengal	.	.	.	50.0	34.8	—	50.0	50.0	100.0	—	—	50.0	50.0	—							
3. Residual	.	.	.	—	80.0	—	100.0	—	20.0	40.0	40.0	100.0	—	—							
4. ALL-INDIA	.	.	.	41.2	45.0	15.4	57.7	26.9	66.2	23.8	10.0	57.7	26.9	15.4							

*These factories were reported to be not allowing any rest interval.

4.3. Dust and Fumes

The Survey has revealed that dusty processes were involved in about 18 per cent. of the ship building factories. These were the units having saw mills or foundry workshops. It was noticed that such processes had been isolated in all the factories having them. Besides, local and/or general exhaust ventilation had been provided in nearly four-fifths of the factories having such processes. In some of the units, dust was suppressed by the use of water. In half of the factories having dusty processes, workers were provided with dust masks to keep off the dust but in the other half, no equipment was being supplied. Fume-giving processes were noticed in 40 per cent. of the ship building factories. These were the units where electro-plating, gas welding and spray painting were carried on. In 25 per cent. of such factories, these processes were found to have been isolated, and in 20 per cent. each, local and general exhaust ventilation systems had been installed. However, in none of these factories the managements were reported to be providing any protective equipment to the concerned workers.

The house keeping in all the factories having dusty or fume-giving processes was either good or satisfactory.

4.4. Seating Arrangements

Under the Factories Act, 1948, it is obligatory on the part of the managements to make suitable arrangements for sitting for all such workers as are obliged to work in a standing position so that they may take advantage of any opportunity for rest which may occur in the course of their work. Survey has revealed that seating arrangements had been made in approximately one-third of the factories surveyed. All the defaulting managements gave the same reason for non-provision of seats, that is, the nature of work was such that it necessitated moving to and fro, around and inside the vessels, and if seats were provided the work would suffer.

4.5. Conservancy

The Factories Act, 1948 has made it obligatory for every factory to maintain adequate number of latrines and urinals for the use of workers, laying down specifically the standard of such arrangements. The present Survey has shown that all ship building factories in the country had provided latrines. In about 38 per cent. of the factories, the latrines were of water-borne sewer type; in 25 per cent., water-borne septic tanks; in 10 per cent., dry-type bore holes; and in the rest of the units* (about 27%), they were of some other types like directly connected with the river.

The latrines were, everywhere, of permanent construction and they had been properly screened. In about 81 per cent. of the factories the floors of latrines were impervious, and their walls had been plastered in 95 per cent. of the units. As required under the Act, water taps were also provided in or near the latrines in as many as 90 per cent. of the units.

As elsewhere stated, only 14 per cent. of the ship building factories, all of them located in Maharashtra, employed women. Separate latrines for them had, however, not been provided in any of these units.

The compliance in regard to urinals, however, was not as good as in the case of latrines, only about 51 per cent. of the factories having provided them. The defaulting units were either located in West Bengal or were in

*These were floating workshops.

the Residual Group. Urinals, wherever provided, were found to be of permanent construction and properly screened. All of them had impervious floors and about 90 per cent. had plastered walls. The units in Maharashtra employing women were reported to have not provided even separate urinals for them.

4.6. Leave and Holidays

Section 79 of the Factories Act, 1948, provides that every worker who has completed a period of 240 days' continuous service in a factory should be allowed during the subsequent period of twelve months, leave with wages for a number of days calculated at the prescribed rate. Statement 4.4, based on the data collected during the Survey, shows the prevailing practice in regard to granting of leave and holidays in ship building factories in the country.

STATEMENT 4.4

Estimated Percentage of Ship Building Factories Granting Various Types of Leave with Pay
(June, 1961)

Centre	Number of Factories	Percentage of Factories granting			
		Earned Leave	Casual Leave	Sick Leave	National Festival and Holidays
1	2	3	4	5	6
1. Maharashtra	7	100.0	100.0	100.0	100.0
2. West Bengal	23	100.0	100.0	50.0	100.0
3. Residual	10	100.0	100.0	20.0	100.0
4. ALL- INDIA	40	100.0	100.0	51.2	100.0

4.6.1. Earned Leave.

The system of granting earned leave to the workers was found to be in existence in all the ship building factories in the country. As regards the period of leave, qualifying conditions and the rate of payment, the managements generally followed the provisions of the Factories Act. Data were also collected in respect of the number of workers who were granted earned leave during the calendar year 1960 and the extent of leave actually enjoyed by them. These are presented in Statement 4.5. (See page 28).

As will be seen from the Statement (4.5) the proportion of workers who enjoyed earned leave in the Industry during 1960 varied from about 75 per cent. in the Residual Group to cent. per cent. in Maharashtra. The overall average in the country was about 92 per cent. Generally it was found that in small factories the percentage of workers who availed of earned leave was lower as compared to that in the large ones.

Of those having availed themselves of such leave during 1960, about 17 per cent. took it for a period extending up to 10 days or less. Those taking leave for over 10 and up to 15 days formed the largest single group, comprising about 42 per cent. of the workers. The fact that as many as L3LBS/66—5.

STATEMENT 42
Percentage Distribution of Workers who Enjoyed Leave
 (During 1949)

Centre	Average Daily No. of Workers Employed in 1930	Percent- age of Workers Enjoying Leave to the Total Employees	Percentage Distribution of Workers who Enjoyed Leave									
			0 days	1 to 5 days	6 to 10 days	11 to 15 days	16 to 20 days	21 to 25 days	26 to 30 days	Over 30 days		
1	2	3	4	5	6	7	8	9	10			
1. Maharashtra	5,060	105.0	5.6	7.9	12.7	23.3	13.7	14.6	22.0			
2. West Bengal	10,660	92.5	6.7	12.2	38.4	11.3	3.0	4.6	3.5			
3. Residual	4,402	75.4	6.9	8.6	9.1	8.8	15.0	16.2	37.5			
4. ALL-INDIA	26,122	91.5	6.2	10.7	41.2	13.6	7.0	8.4	12.3			

about 12 per cent. of the workers in the Industry enjoyed earned leave for over a month deserves a mention.

4.6.2. *Casual Leave.*

Just like earned leave, casual leave was also being allowed in all the units surveyed (Statement 4.4). In about half of the factories, all employees could avail of this facility, whereas in the remaining half, it was restricted to certain categories of employees, e.g., clerical, technical and administrative, all except casual labour, all except temporary workmen, and all employees other than 'Production Workers', etc. Generally, no conditions were laid down for entitlement to casual leave, but in a few units, one year's or six months' service was insisted upon.

In three-fourths of the factories, employees were being given casual leave for over 10 and up to 15 days in a year, in about 10 per cent. of the units up to a week only, and in the rest (about 9%) for over 15 days and up to 22 days. In all the units, full basic wage plus D.A. was being paid for the period of casual leave.

4.6.3. *Sick Leave.*

On the basis of the results of the present Survey, it has been estimated that about half of the ship building factories in the country, comprising all units in Maharashtra, half of those in West Bengal, and one-fifth of the factories in the Residual Group, were granting sick leave to their employees. This benefit was being given by employers in addition to the facilities available under the Employees' State Insurance Scheme, wherever in force. In the Industry as a whole, the percentage of factories giving sick leave was higher for large units and lower for the small ones. The most common condition for the grant of sick leave was the production of medical certificate. There was no uniformity in regard to the types of employees entitled to sick leave.

Of the factories where workers were enjoying the benefit of sick leave, in about 66 per cent. it was allowed for over 10 and up to 15 days and in nearly 27 per cent. for over 15 days. In the remaining about 7 per cent. of the units, the period of sick leave was restricted to a week. Basic wage plus dearness allowance was being paid for the duration of sick leave in about 44 per cent. of the factories granting such leave. In the remaining 56 per cent. of the factories granting sick leave, all of which were located in West Bengal, sick leave was allowed at half pay in some and with full basic wage and dearness allowance to clerical, technical and administrative staff, and with only dearness allowance to 'Production Workers' in the others.

4.6.4. *National and Festival Holidays.*

The practice of granting national and/or festival holidays with pay had become universal in the Ship Building Industry since each one of the units visited during the course of the Survey was found to be allowing such a benefit to all its employees. In about 38 per cent. of the factories, the number of such holidays was up to 10 in a year, and in the rest (about 62%), over 10 and up to 15. In all the factories, full basic wage and dearness allowance was paid for national and festival holidays. In a majority of units (about 55%) the condition for claiming payment for these holidays was attendance on preceding and succeeding days. In the rest of the factories, however, there were no qualifying conditions.

4.7. Weekly-offs

All ship building factories in the country covered by the Survey were complying with the provisions of the Factories Act regarding the grant of a weekly day of rest to workers. It is noteworthy that despite the absence of any legal binding, all the factories were allowing weekly-offs with the pay. However, in some of the units all employees were enjoying this benefit whereas in others only monthly-rated staff were entitled to weekly-offs with pay.

CHAPTER V

WELFARE AND AMENITIES

Besides facilities provided in compliance with the law, there are many items of welfare which some of the employers have voluntarily undertaken for the benefit of their employees. Apart from humanitarian considerations, the importance of the provision of welfare amenities has been increasingly recognised from the point of view of preservation of the efficiency of workers which, in turn, contributes to higher productivity. An attempt was made during the present Survey to assess the extent to which the ship building factories in India had actually provided welfare facilities to their workers. The information collected in respect of various welfare activities (both obligatory and non-obligatory) is presented in the following paragraphs :

5.1. Facilities for Drinking Water

Each one of the ship building factories surveyed, was found to have made suitable arrangements for supply of drinking water for its employees. There was, however, considerable diversity in the type of arrangements made. In a majority of units (about 44%) tap water had been provided. About 37 per cent. of the factories kept earthen pitchers for the purpose, whereas the percentage of factories providing refrigerated water or buckets and drums, etc., was 5 each. In the remaining nearly 9 per cent. of the establishments, tube-wells fitted with hand pumps were meeting the drinking water needs of the employees.

On hygienic grounds, the Factories Act prohibits the location of any drinking water point within 20 feet of latrines and urinals. The Survey has shown that this provision of the law was being respected in all the ship building factories in the country.

The model rules framed by the Government of India under the Factories Act provide that every factory employing more than 250 workers should supply drinking water cooled by ice or other effective method during certain specified part of the year. It is estimated that only about 32 per cent. of the ship building factories in the country, all of which happened to be of large size, were under such a statutory obligation. Of these, nearly three-fourths had made the necessary arrangements. Actually, however, about 91 per cent. of the units in the Industry were found to be supplying cool drinking water to their employees during the summer. Large units were mostly providing refrigerated water while the small ones were generally keeping earthen pitchers.

5.2. Washing Facilities

Section 42 of the Factories Act lays down that adequate and suitable facilities for washing should be provided and maintained for the use of workers in every factory. Information collected during the course of the Survey shows, that with the exception of a small factory in the Residual Group, all the units in the Industry had provided this facility. The predominant arrangement for the purpose was taps on stand pipes, and as many as three-fourths of the factories had this arrangement. Nearly 10 per cent. of the units were providing washing facilities in the shape of water stored in receptacles and an equal number were having circular troughs of the fountain type. Other arrangements were in the form of wash basins with

taps. The small factory in Residual Group which did not provide washing facilities was a floating workshop and, as such, river water for washing purposes was easily accessible to the workers.

Of the two large and one small factories in Maharashtra employing women, separate washing arrangements for them had been made in only one large unit.

Nearly 75 per cent. of the ship building factories providing washing facilities were supplying some cleansing material also like soap, soda, etc. to the workers. To some of the employees doing jobs involving the use of grease, etc., nail brushes, towels and cotton waste were also found to have been made available.

5.3. Bathing Facilities

Though the Factories Act does not contain any specific provision relating to bathing facilities, it was found during the course of the Survey that about 9 per cent. of factories had provided bath rooms for the use of their workers. Since no women were reported employed in these factories, the question of provision of separate bathing facilities for them did not arise. Bathing places in these units were kept clean.

5.4. Canteens

Section 46 of the Factories Act, relating to canteens, empowers the State Governments to make rules requiring that in any specified factory wherein more than 250 workers are ordinarily employed, a canteen or canteens according to the prescribed standards should be provided for the use of the workers.

The Survey results show that only about one-thirds of the ship building factories in the country, all of them being large-sized, were under a statutory obligation to provide canteens and nearly 73 per cent. of them had fulfilled this obligation. The compliance with law was cent. per cent. in Maharashtra and the Residual Group of factories but only 50 per cent. in West Bengal. Observance or violation of the law apart, actually about 48 per cent. of the factories in the Industry were running canteens for the benefit of their employees. The percentage of such factories was the highest in Maharashtra (about 79) followed by 50 in West Bengal and 20 in the Residual Group.

Data collected further show, that as many as about 89 per cent. of the ship building factories running canteens were serving meals in addition to tea, coffee and snacks. The remaining (nearly 11%) were, however, found to have made arrangements only for the sale of tea, coffee and snacks, etc. All the units having canteens were reported to have made adequate drinking water arrangements in the canteens.

A noteworthy feature of the Industry was that management of canteens in nearly 53 per cent. of the factories having them was in the hands of multi-purpose or co-operative societies. Contractors were running canteens in only about 18 per cent. of the factories having them, and managements themselves, in the rest (about 29%). Nowhere the canteens were being run jointly by workers and management. Although Canteen Managing Committees were found to be functioning in about 21 per cent. of the factories having canteens, these Committees had been made responsible for fixing the prices of articles sold in only about 11 per cent. of the factories. In nearly 18 per cent. of the factories, *i.e.*, where contractors were running the can-

teens, the prices were also fixed by them. Similarly, the managements were fixing the prices in the canteens being run by them, *i.e.*, in about 29 per cent. of the units. The work of price fixation was found to have been entrusted to the multi-purpose societies in the rest of the canteens (*i.e.* in about 42% of the units). Price lists of the various articles sold were, however, displayed in only about 58 per cent. of the canteens. It was observed that the prices charged were on a no-profit-no-loss basis in about 53 per cent. of the factories running canteens, at subsidised rates in nearly 39 per cent. and at the market rate in the remaining 8 per cent.

Of the total estimated number of workers employed in the ship building factories having canteens, only about 37 per cent. were estimated to be visiting canteens daily.

It was also noticed during the Survey that the location of canteens in all the units having them was good or satisfactory inasmuch as their surroundings were clean and they were some distance away from work places. As regards hygienic conditions, they were also found to be either good or satisfactory in all the canteens.

5.5. Creches

With the passing of the Factories Act in 1948, it became obligatory for all factories employing more than 50 women workers to maintain a creche of the prescribed standard. The question of providing creche facility did not, however, arise in the Ship Building Industry as it employed a negligible number of women workers and none of the units surveyed were found to be employing more than 50 women.

5.6. Lockers

The Survey has revealed that about 32 per cent. of the ship building factories in the country, all of which were large units, had provided locker facilities for their employees. These factories belonged to all the three Centres of the Industry.

5.7. Rest Shelters

The Factories Act lays down that in every factory wherein more than 150 workers are ordinarily employed, adequate and suitable shelters or rest rooms should be provided and maintained for the use of workers. However, if the factory is maintaining a canteen of the prescribed standard, the provision of separate rest shelter is not compulsory. All large-size factories surveyed would normally have been required to maintain rest shelters, but since all had provided canteens, they were not legally obliged to do so. However, one of the large factories surveyed in the Residual Group was found to have voluntarily provided a rest shelter also in addition to a canteen. Only one of the small factories surveyed, located in Maharashtra Centre, was statutorily obliged to provide a rest shelter as it employed more than 150 workers and a canteen did not exist in that unit. It had, however, not done so. The reason advanced was lack of space for the purpose.

5.8. Recreational Facilities

Information collected during the Survey on the extent of provision of recreational facilities to the ship building workers in the country shows, that nearly four-fifths of the factories in the Industry, comprising all the units surveyed in West Bengal, about 79 per cent. in Maharashtra and 40 per cent. in the Residual Group, were providing these facilities. Nearly 71 per

cent. of the factories, at the all-India level, providing recreational facilities, had made arrangements for outdoor and/or indoor games as well as some cultural programmes, while the rest, (i.e. about 29%), were arranging programmes for workers entertainment on festive occasions alone. Indoor games, most popular amongst the workers, were carrom, cards, chess and table tennis whereas outdoor games generally played were football, volleyball, cricket and hockey. Cultural programmes comprised occasional film shows, dramas and other social and religious functions.

Of the units providing recreational facilities, in about 51 per cent., the cost of such activities was being met by managements themselves, in about 18 per cent. by workers and managements jointly, and in the remaining factories (about 31%) by workers alone.

5.9. Educational Facilities

Facilities for the education of workers' children were almost absent in the Ship Building Industry. None of the factories surveyed was running any school or college or supplying any free articles of stationery to workers' children. One of the small factories surveyed in the Residual Group, was paying a regular subsidy to a nearby school so that workers' children could be admitted there. A large factory covered in Maharashtra had provided buildings for three primary municipal schools, together with furniture and fittings, at a nominal rent of Re. 1.00 per month. Children of workers employed in that factory received priority in the matter of admission to those schools. This factory also awarded every year 10 new scholarships of Rs. 30.00 each per month to children of employees receiving up to Rs. 320 per month for pursuing higher studies leading to Diploma or a University Degree in certain subjects for the duration of the whole course. It also gave 30 scholarships of Rs. 12.50 per month for the whole of the secondary school course to children of employees whose maximum pay did not exceed Rs. 150 p.m. This was all that was available to ship building workers in the country by way of educational facilities, according to the present Survey.

As regards adult education centres, of all the units visited during the course of the Survey, only one large establishment in Maharashtra was running one such centre for its employees inside the factory premises. At the time of the Survey, only 30 workers, representing a very small proportion of the total working force of the factory, were on the rolls of the adult education centre. Management of this factory was also reported to be making an annual grant to the Bombay City Social Education Committee which was conducting literacy and post-literacy classes for the benefit of workers and their dependants.

5.10. Medical Facilities

5.10.1. *Hospitals and Dispensaries.*

Except for first-aid boxes and ambulance rooms, the law does not require employers to provide any other medical facility. However, during the course of the Survey it was found that about 42 per cent. of the ship building factories in the country, consisting of all large units and a few small ones, had provided hospitals or dispensaries for their employees. In nearly half of these, full-time doctors were found to have been appointed, whereas in the rest, part-time doctors were working. About 78 per cent. of the part-time doctors were on duty from 18 to 24 hours in a week but the remaining 22 per cent., only from 6 to 12 hours in a week. The duties of the doctors were periodic medical check-up of the workers and taking care of the health of

their dependants as also looking after the sanitary conditions within the factory premises. They also visited the workers' houses in cases of emergency. Other staff appointed in the hospitals and dispensaries generally included compounders, dressers, midwives, nursing orderlies, etc.

In addition to the above-mentioned factories, nearly one-fifth of the factories in the country, all of which happened to be small establishments situated in West Bengal, were having contracts with some other hospitals and dispensaries for the treatment of their employees.

As stated elsewhere, contract labour was engaged only in a few small factories in West Bengal. They were enjoying the same medical facilities as were available to the directly employed workers in these factories.

5.10.2. *Ambulance Rooms.*

Under the Factories Act, every factory employing more than 500 workers is required to provide and maintain an ambulance room. The rules framed by the State Governments prescribe the equipment of such rooms. It has been estimated that about 32 per cent. of the factories in the Industry, all of them large units, were under a statutory obligation to provide ambulance rooms. However, of these, hardly one-third had met the requirements of law. While in Maharashtra all the units surveyed had fulfilled their legal obligation in this regard, in West Bengal and the Residual Group, none of the establishments surveyed had done so. Ambulance rooms had not been provided in any factory on a voluntary basis. Of the two units in Maharashtra where ambulance rooms existed, in one, a part-time doctor, available from 6 to 12 hours in a week, had been appointed, and in the other a full-time doctor had been engaged. Since these two units were running dispensaries also, the doctors looking after the ambulance rooms were the same as were in-charge of the dispensaries.

5.10.3. *First-aid Boxes.*

The Factories Act, 1948, lays down that every factory should maintain first-aid boxes, at the rate of one for every 150 workers ordinarily employed. Such boxes must contain the prescribed items and should be readily accessible to workers during all the working hours. The Survey results show that 80 per cent. of all factories in the country had complied with the law in this matter. The defaulting unit was one of the two small factories surveyed in West Bengal which accounted for 20 per cent. of all factories. The Factories Act also provides that all first-aid boxes must be kept under the charge of trained first-aiders. However, it was found that in only about half of the factories, having first-aid boxes, comprising all such units in Maharashtra and 60 per cent. of those in the Residual Group, there were trained first-aiders. As regards contents of the boxes, they were complete in about 52 per cent. of the factories providing first-aid boxes, but in the rest, they were deficient in one or more items like tincture iodine, dressings, etc. It was observed, that in Maharashtra, wherever first-aid boxes had been provided their contents were complete and in the Residual Group in 60 per cent. of the factories having first-aid boxes the contents were complete. In most of the units, the first-aid boxes were easily accessible to the workers.

5.11. **Transport Facilities**

Workers in the Ship Building Industry did not enjoy any transport facility except that a large factory in West Bengal was providing free launch or boat service to those of its employees who lived on the other side of the Hooghly river. However, the managements of nearly one-fourth of the fac-

tories, comprising half the units in Maharashtra and about 30 per cent. of those in West Bengal, were giving transport or conveyance allowance to some or all of their employees *in lieu* of non-provision of transport facilities.

5.12. Other Amenities

Grain shops for the benefit of employees, where foodgrains were being sold at subsidised rates, existed in only 5 per cent. of the factories. Facilities for taking loans on easy terms were available to a large number of workers in the Industry as co-operative credit societies existed in about 42 per cent. of the factories consisting of 60 per cent. of the units in the Residual Group, about 57 per cent. in Maharashtra and 30 per cent. in West Bengal. Each one of the large units surveyed was having such a society, besides half of the small factories in the Residual Group. Multipurpose Societies existed in about 29 per cent. of the factories surveyed.

In addition to the above-mentioned amenities, in most of the factories, welders, electroplaters and boilermen were provided with protective clothing, masks, goggles, gloves, etc. In one of the two small factories surveyed in the Residual Group, each worker was getting two pairs of dresses and a pair of shoes every year. Watch and Ward employees of a small factory in West Bengal were being given one umbrella each every year.

5.13. Housing Facilities

The present Survey has shown that about 69 per cent. of the ship building factories in the country had provided housing accommodation to their employees. Centre-wise details are presented in Statement 5.1. Factories located in West Bengal were ahead of those in other Centres, since as many as about 85 per cent. of them, including all small units, had provided housing accommodation for their employees.

STATEMENT 5.1

Estimated Percentage of Ship Building Factories Providing Houses, Extent of Accommodation and Rent Charged

(1961-62)

Centre	Number of Factories	Percentage of Factories Providing Houses	Percentage of Houses Consisting of			Percentage of Factories which		
			One room	Two rooms	Three or more rooms	Charged no rent at all	Charged rent from all	Charged rent from a few employees
1	2	3	4	5	6	7	8	9
1. Maharashtra .	7	28.6	65.0	32.8	2.2	—	100.0	—
2. West Bengal .	23	84.8	81.1	18.9	—	59.0	—	41.0
3. Residual .	10	60.0	48.0	44.0	8.0	—	66.7	33.3
4. ALL-INDIA .	40	68.8	52.8	40.5	6.7	41.8	21.8	36.4

The houses provided by managements were predominantly one-room tenements accounting as they did for about 53 per cent. of the total houses provided. It is, however, noteworthy that the percentage of two-roomed houses was also not insignificant, being about 40. The rest of the houses (i.e. about 7%), were having three or more rooms. Most of the houses provided were *pucca* built.

Information collected also shows, that in most of the units providing houses, one-room accommodation was made available to 'Production Workers' and watch and ward staff. Houses consisting of two rooms and above were generally provided to supervisory, clerical and administrative staff.

Houses in about 42 per cent. of the factories providing them were completely rent-free, while in the remaining approximately 58 per cent., rent was being charged. In about 22 per cent. of the units providing houses rent was being charged from all the allottees, whereas in the remaining nearly 36 per cent., from some of the allottees only.

It has been estimated on the basis of survey results, that out of a total of 36,045 workers* employed in the Ship Building Industry on June 30, 1961, only about 4 per cent. had been provided houses by the employers. Centre-wise details appear in Statement 5.2.

STATEMENT 5.2

Estimated Percentage of Workers Allotted Houses in the Ship Building Industry

(1961-62)

Centre	Number of Factories	Number of Workers* Employed	Percentage of Workers Allotted Houses
1	2	3	4
1. Maharashtra	7	7,485	5.3
2. West Bengal	23	17,899	4.7
3. Residual	10	10,661	3.5
4. ALL-INDIA	40	36,045	4.5

About 35 per cent. of the ship building factories in the country, located in West Bengal and the Residual Group, were found to be providing facilities to their employees for building their own houses by advancing them loans from their provident funds.

CHAPTER VI

SOCIAL SECURITY

From the worker's point of view, a matter perhaps as important as the wages he gets, is the provision for his future. Before the attainment of Independence, industrial workers in our country enjoyed security only against accidents by virtue of the provisions of the Workmen's Compensation Act, 1923. Women workers, in addition, were entitled to maternity benefits under State laws. However, post-Independence years have witnessed remarkable developments in the field of social security. The benefits available to the workers in the Ship Building Industry, at the time of the present Survey, are briefly discussed in the paragraphs that follow.

6.1. Provident Fund Schemes

The Survey results show that 90 per cent. of the ship building factories in the country, comprising all large units and most of the small ones, had introduced provident fund schemes for their employees. Each of the units surveyed in Maharashtra and West Bengal had such a scheme, but in the Residual Group of factories, workers in nearly three-fifths of the factories were enjoying provident fund benefits. Of the factories having provided provident fund facilities, only about 4 per cent. had formulated their schemes under the Employees' Provident Funds Act, 1952. As many as 90 per cent. of the units were found to be running their own schemes. This was due to the fact that these had introduced provident fund schemes even before the Act and since benefits were the same or better, were allowed to continue old schemes. The remaining 6 per cent. were having Employees' Provident Fund Scheme as well as other schemes. The rate of contribution for the schemes other than the Employees' Provident Fund Scheme, varied from factory to factory, generally ranging between 6½ per cent. and 10 per cent. of the basic wage and dearness allowance. In some of the factories there were two rates of contribution, 6½ per cent. for 'Production Workers' and 8½ or 10 per cent. for supervisory, clerical and other staff. In some of the large units of the Industry, provident fund schemes were very old, dating back to the year 1930 or so. As regards conditions of eligibility, they too, were not uniform, though, by and large, they corresponded to those laid down under the Act. One small factory surveyed in West Bengal had a general provident fund scheme for its staff members under which they could contribute any amount they liked. The management did not contribute anything but paid 4 per cent. compound interest on the deposits.

On the basis of the data collected, it is estimated that approximately 22,795 workers, i.e. about 63 per cent. of the total, were members of the provident fund schemes as on June 30, 1961. Details about the percentage of factories having provident fund schemes, number of workers who were members, etc., are presented in Statement 6.1. (*See page 39*).

6.2. Pension Schemes

At the time of the present Survey, 30 per cent. of the ship building factories in the country, all of them small-sized, were having pension schemes for their employees. In all these units, the schemes were regular and had been introduced in addition to provident fund schemes. However, in these

STATEMENT 6.1

Estimated Percentage of Ship Building Factories having Provident Fund Schemes, Membership, etc.

(June, 1961)

Centre	Number of Factories	Percentage of factories having Provident Fund Schemes	Percentage of Factories having			Total Number of Workers* Employed as on 30-6-1961	Percentage of Workers who were members of Provident Fund Scheme (of col.7)
			Employees Provident Fund Scheme	Employee's Provident Fund as well as other Schemes	Only other Schemes		
1	2	3	4	5	6	7	8
1. Maharashtra	.	100.0	21.4	28.6	50.0	7,485	76.0
2. West Bengal	.	100.0	—	—	100.0	17,899	76.6
3. Residual	.	60.0	—	—	100.0	10,661	32.0
4. ALL-INDIA	.	90.0	4.2	5.5	90.3	36,045	63.2

*Covered under the Factories Act, 1948.

units only those employees who did not opt for pension were getting the benefit of employers' contribution to provident fund. In one-third of such factories pensionary benefits were available to all employees, but in the remaining two-thirds, they were restricted to certain categories of workers like permanent employees alone. Pension was payable only after completion of 10 years' service. The rate of payment went on increasing from 1/8th of average emoluments for 10 years' service to 3/4th of average emoluments for 30 years' service, which was the maximum pension rate.

6.3. Gratuity Schemes

Information collected during the course of the Survey shows that approximately 80 per cent. of the ship building factories in the country, comprising all factories in Maharashtra and the Residual Group and about 65 per cent. of those in West Bengal, were having gratuity schemes for the benefit of their employees. According to these schemes, all of which were regular, gratuity was payable to employees only in the event of death or retirement. Resignation or termination of services by employer were excluded from the purview of these schemes.

In about 28 per cent. of the factories paying gratuity, all workers were entitled to the benefit, whereas in the rest (*i.e.* about 72%), the categories of workers covered differed from unit to unit. It was, however, observed that, generally, only permanent employees could receive gratuity. In some of the factories in West Bengal only such employees were entitled to gratuity payment as joined duty before the date of introduction of the provident fund scheme in the unit. The rate of payment in these units was 1/2 month's basic pay for every completed year of service put in before the date of introduction of the provident fund scheme. The rates of gratuity payment in other factories were either 15 days' or one month's basic pay for each completed year of service subject to a maximum of 15 months' pay.

On the basis of the data collected during the Survey, it has been estimated that, in all, 340 workers in the Industry received gratuity during the year ended June, 1961.

6.4. Maternity Benefits

Legislation providing for payment of cash maternity benefits for certain periods before and after confinement, granting of leave and certain other facilities, etc., to women employed in factories, exists in almost all States under the various Maternity Benefit Acts passed by the State Governments. However, where the Employees' State Insurance Scheme has been put into force, the employers are absolved of their liability under the concerned Maternity Benefit Act.

Wherever the Employees' State Insurance Scheme was in operation at the time of the present Survey, maternity benefits were payable under the scheme. However, information pertaining to maternity benefit payment in respect of the ship building factories not covered under the above scheme shows that no such claim had been made or paid during the period under reference (July, 1960 to June, 1961). This was so, perhaps, because the number of women employed in the Industry was negligible.

6.5. Industrial Accidents

The Workmen's Compensation Act, 1923, and the Employees' State Insurance Act, 1948, provide for compensation to workers who are injured

on account of accidents arising out of and in the course of employment. Provisions of the Workmen's Compensation Act were applicable, at the time of the Survey, to all ship building factories excepting those covered under the Employees' State Insurance Scheme.

Information was collected during the Survey in respect of the number and nature of accidents from all ship building factories, whether covered or not under the Employees' State Insurance Scheme. On the whole, an estimated number of 6.5 thousand workers were involved in accidents in the Ship Building Industry during the year ended June, 1961. The rate of accidents per thousand based on the estimate of average number employed during the year ended June, 1961 as also the distribution of workers involved by nature of accidents, are given in Statement 6.2.

STATEMENT 6.2

Estimated Proportion of Workers Involved in Accidents by Nature of Accidents in the Ship Building Industry
(During July, 1960 to June, 1961)

Centre	Average daily Employment during 1960	Number of Workers involved in Accidents per 1,000 workers employed resulting in			
		Death	Permanent Disability	Temporary Disability	Total
1	2	3	4	5	6
1. Maharashtra .	5,060	0.4	1.4	208.3	210.1
2. West Bengal .	16,660	0.2	2.0	322.6	324.8
3. Residual .	4,463	3.4	4.9	5.6	13.9
4. ALL-INDIA .	26,183	0.8	2.4	246.4	249.6

It will be seen from the Statement (6.2) that the rate of accidents was high in West Bengal being about 325 per thousand. In Maharashtra also it was rather high (about 210 per thousand), but in the Residual Group of factories the rate was very low. The all-India rate shows that about one-fourth of the total workers employed in the Industry met with accidents during the twelve month period ended June, 1961. The number of fatal accidents, or of those resulting in permanent disability, was negligible. The vast majority of workers met with only minor accidents causing temporary disability.

Compensation is also payable under the Workmen's Compensation Act in the case of certain occupational diseases mentioned in a schedule to the Act. During the present Survey, however, no case of occupational disease during the twelve months, preceding June 30, 1961, was reported from any of the units covered.

CHAPTER VII

INDUSTRIAL RELATIONS

During the present Survey, information was collected on some important aspects of industrial relations in the Ship Building Industry and the findings are discussed in the following paragraphs :

7.1. Industrial Disputes

Data pertaining to industrial disputes in the Ship Building Industry were not collected during the present Survey since the same were available in the Labour Bureau. Such information in respect of the number of disputes in the Ship Building Industry and consequent loss of man-days since 1959 has been given in the Statement below :—

STATEMENT 7.1*

Number of Disputes Resulting in Work-stoppages, Workers involved and Man-days lost in the Ship Building Industry

Year	Number of Disputes†	Number of Workers Involved	Number of Man-days Lost (in '000s)
1	2	3	4
1959	5	1,644	49
1960	2	2,671	2
1961	4	10,574	75
1962	2	1,515	4

*Labour Bureau : 'Indian Labour Statistics, 1964'.

†These include both strikes and lock-outs.

Figures in the above Statement show that during the years 1959 and 1961, a considerable number of man-days were lost in the Industry on account of industrial disputes. The reason for the same, in 1959, was a strike in a large unit in West Bengal as a protest against the assault on a union executive member. This work-stoppage alone involved 1,400 workers and was responsible for a loss of more than 48,000 man-days. During 1961, there were three major strikes in a large ship building factory in Andhra Pradesh. The cause for the first two strikes, which took place in April and May that year, was the management's decision to declare 17th April as a holiday and ask the workers to work on the preceding day which was Sunday. Wages for 17th April were also not paid to the workers. The third strike was against the alleged unjustified suspension of two union workers. This strike began in July and ended in September and accounted for a loss of over 70,000 man-days.

7.2. Trade Unionism

Trade unionism, it seems, had not developed much in the Ship Building Industry since in only half of the factories surveyed, workers had organised

themselves into trade unions. Data collected further show that the development was uneven too. For example, whereas in Maharashtra, trade unionism was so widespread that unions were found existing in each of the units surveyed, in the Residual Group of factories, workers in only 60 per cent. of the factories had organized themselves into trade unions and, in West Bengal, in only about 30 per cent. of the units. However, if the percentage of workers who were members of trade unions is taken as a criterion, then the Residual Group came on top, with a percentage of 64, followed by Maharashtra (about 56), and West Bengal (about 32). In the Industry as a whole, approximately 47 per cent. of the workers had enrolled themselves as members of one or the other union. The proportion of workers who were members of trade unions was very low in small factories as compared to that for large units. Details are set out in Statement 7.2.

STATEMENT 7.2

Estimated Percentage of Ship Building Factories Where Workers were Members of Trade Union etc.
(June, 1961)

Centre	Number of Factories	Percentage of Factories where Workers were Members of Trade Unions	Total Number of Workers Employed as on 30-6-1961	Percentage of Workers who were Members of Trade Unions	Percentage of Factories where Trade Unions (some or all) were recognized
1	2	3	4	5	6
1. Maharashtra	7	100.0	7,692	56.5	78.6
2. West Bengal	23	30.4	18,169	32.5	—
3. Residual	10	60.0	10,950	64.3	33.3
4. ALL-INDIA	40	50.0	36,811	47.0	37.5

Trade unions, wherever existing, had been registered, but only about 38 per cent. of them enjoyed recognition of the managements. In West Bengal, not a single trade union in the units surveyed was reported to have been recognised. As against this, in Maharashtra, about 79 per cent. of the ship building factories having unions had recognised them. Among the Residual Group of factories, in about 33 per cent., unions enjoyed recognition.

It was observed during the Survey that the most important activity of trade unions in the Ship Building Industry was securing of claims of their members under the various labour Acts; about 68 per cent. of the unions were found to be doing this. Facilities for workers' recreation were being provided by roughly 19 per cent. of the trade unions in the Industry, while nearly 35 per cent. of the unions were arranging relief for their distressed members. Welfare facilities were being provided by one out of every six unions but adult education had not attracted the attention of any union in the Industry.

7.3. Collective Agreements

In the course of the Survey, information was collected in respect of collective agreements concluded in the sampled establishments since 1956. It was found that about 18 per cent. of the ship building units in the country, located in Maharashtra and West Bengal, had concluded collective agreements since 1956 till the time of the Survey. There was no such unit in the Residual

Group of factories. It was also noticed that such agreements had been concluded more among large factories than small ones.

In Maharashtra, collective agreements were found to be in force in 50 per cent. of the ship building factories, but in West Bengal they existed in only about 15 per cent. The subject-matters of these agreements were such as absorption of some suspended or discharged employees, recognition of union, work-load, pay-scales of some technical workers, deduction of wages on account of *Puja* advance, calling-off of a hunger strike, grant of additional increments, 'bhatta', bonus, leave, dearness allowance, officiating allowance, paid holidays, shift timings, supply of uniforms, age of retirement and rates of gratuity and provident fund.

7.4. Standing Orders

With the enactment of the Industrial Employment (Standing Orders) Act, 1946, it has become obligatory for all factories employing 100 or more workers to frame Standing Orders for regulating such matters as classification of workers, intimation of periods and hours of work, holidays, termination of employment, and redress of grievances, etc.

It is estimated that two-fifths of the ship building factories in the country were under a statutory obligation to frame Standing Orders for their employees. Of these, about 88 per cent. had fulfilled their obligation under the law while in the rest, Standing Orders had not been framed. This was the position insofar as compliance with the law was concerned. It was, however, noticed that Standing Orders were actually in existence in about 55 per cent. of the ship building factories. The proportion of factories having Standing Orders was higher among large units than the small ones. Statement 7.3 gives details about the existence of Standing Orders in the Ship Building Industry.

STATEMENT 7.3

Estimated Percentage of Ship Building Factories where Standing Orders were Framed, etc.
(1961-62)

Centre	Number of Factories	Percentage of Factories under Statutory Obligation to Frame Standing Orders	Percentage of Factories where Standing Orders were Framed (of Col. 3)	Percentage of Factories where Standing Orders were Certified
1	2	3	4	
1. Maharashtra	7	100.0	71.4	100.0
2. West Bengal	23	30.4	100.0	100.0
3. Residual	10	20.0	100.0	100.0
4. ALL-INDIA	40	40.0	87.5	100.0

In a majority of the units having Standing Orders (about 48%) they were found to have been framed under the Industrial Employment (Standing Orders) Act, 1946. Nearly 36 per cent. of the factories having Standing Orders, all of them situated in West Bengal, were found to have framed the same under Bengal Government Rules. Similarly, about 7 per cent. of the units having Standing Orders and located in Maharashtra, had framed their

Standing Orders under the Bombay Industrial Relations (Standing Orders) Act, 1946. In the remaining nearly 9 per cent. of the units having Standing Orders the same had been framed in terms of the Madras Port Trust Act, 1905. Wherever existing, the Standing Orders were reported to have been certified by the appropriate authorities.

Enquiries have further revealed that in about 93 per cent. of the units, Standing Orders covered all categories of workers. In the remaining 7 per cent., however, supervisory staff were excluded from their coverage.

7.5. Labour and Welfare Officers

Labour and Welfare Officers in industrial establishments serve as a useful link between employers and employees and help in establishing healthy contacts between the two. With the enactment of the Factories Act, 1948, it has become obligatory for every factory employing more than 500 workers to appoint a welfare officer. The Survey results show that only about one-third of the ship building factories in the country were statutorily obliged to appoint Labour Officers, and all of them had done so. Apart from them, about 13 per cent. of the factories, most of them located in the Residual Centre, had also appointed Labour/Welfare Officers, although they were under no legal obligation to do so. Thus, Labour/Welfare Officers were functioning in about 46 per cent. of the ship building factories in the country.

These officers had a wide range of activities and were found to be performing all such duties as are prescribed in the Rules framed under the Act. Securing quick redress of workers' grievances, assisting in the event of a dispute between labour and management and maintaining harmonious relations between the two were some of their most important functions. They were also advising managements in regard to matters connected with the proper implementation of various labour laws, awards and settlements. Organisation and supervision of labour welfare and recreational activities was also a part of the duties of these Officers. In a few of the units surveyed, the task of recruitment of workers and allotment of houses to them was also assigned to the Labour Officers. In only about 30 per cent. of the ship building factories having Labour/Welfare Officers, they were reported to be appearing before the Tribunals, etc., on behalf of the managements in cases of Industrial disputes.

7.6. Works or Joint Committees

It was not till the enactment of the Industrial Disputes Act, 1947, that any positive step was taken by the Government of India for the setting up of Works or Joint Committees in the country. The Act lays down that all those establishments which employ 100 or more workers shall constitute Works Committees. Some of the State Laws also provide for the constitution of Joint Committees in certain types of establishments.

The results of the present Survey have shown that only 40 per cent. of the ship building units in the country were under a legal obligation to set up Works Committees and of these, about two-thirds had complied with the law. Whereas in West Bengal and in the Residual Group of factories, all the units had honoured their legal obligations in this respect, in Maharashtra, the percentage of such units was reported to be only about 21. None of the factories in the Industry were found to have set up Works Committees voluntarily. The main reasons put forward by managements for not forming Works Committees in the units where it was obligatory, were that neither the workers nor the authorities had ever approached them in the matter and that the necessary co-operation was not forthcoming from the workers.

In about one-third of the factories having these Committees, they were reported to have met over three and up to six times during the year ended June, 1961. However, in the remaining nearly two-thirds of the units having Works Committees, either no records of the meetings held were available or no meeting was held during the year. Roughly 86 per cent. of the factories having Works or Joint Committees were found to be giving equal representation to employers and employees on these Committees. In the rest, workers' representatives were found to be more than those of employers. Matters of mutual interest as well as of interest to either party formed the topics for discussion in the Committee meetings and the decisions taken were generally implemented.

7.7. Production and Other Committees

No Production Committee is reported to have been set up in any of the ship building factories surveyed. As regards other committees, they were also almost non-existent in the Industry. The sole exception in this regard was a large unit in the Residual Group of factories where a Safety Committee was reported to be functioning. This Committee, which had three representatives each of employers and employees, met periodically with the object of educating workers on how to avoid accidents.

7.8. Grievance Procedure

With the coming into force of the Industrial Employment (Standing Orders) Act, 1946, it became compulsory for all factories employing 100 or more workers to frame Standing Orders prescribing, *inter alia*, the procedure to be followed for the redress of workers' grievances. As mentioned elsewhere, Standing Orders were in existence in 55 per cent. of the ship building factories in the country, and thus, a procedure to be followed for redress of grievances had been laid down in these units. It was, however, found during the course of the Survey that in fact, a prescribed grievance procedure existed in nearly 70 per cent. of the ship building factories, meaning thereby, that 15 per cent. of the units in the Industry had voluntarily formulated a procedure for the redress of grievances of their employees. The progress in this regard was noteworthy in Maharashtra where a set grievance procedure existed in every factory surveyed. In West Bengal and in the Residual Group of factories, the percentage of units having grievance procedure was about 65 and 60, respectively.

According to the prevailing practice, grievances were usually represented by the aggrieved workers to the Foreman or the Departmental Head, in the first instance. Failing redress at this stage, they were taken to the Labour Officer of the unit who was generally able to bring about a settlement. However, in case the Labour Officer's decision was unacceptable, the aggrieved party could go even to the Chairman or the General Manager of the concern, whose decision was final. In a few large units, between the Labour Officer and the Manager, the grievance had to pass also through the Mechanical Engineer and the Chief Engineer of the factory. In such of the small units as had no prescribed procedure, it was found that the complaints were generally made direct to the proprietor whose decision was binding.

7.9. Association of Workers with Management

The present Survey shows that none of the ship building factories in the country had introduced any scheme for associating workers with the management.

CHAPTER VIII

LABOUR COST

Information pertaining to labour cost was collected from sampled establishments during the course of the present Survey, only in respect of the employees covered under the Factories Act and receiving less than Rs. 400 per month as wages. This was in pursuance of the decision taken by the Study Group on Wage Costs appointed by the Ministry of Labour and Employment in 1959. The enquiry relating to labour cost was modelled on the lines of the Study of Labour Costs in the European Industry, made by the International Labour Office in 1956, with such modifications as were considered necessary in the light of conditions in India. For instance, in view of the fact that, in India, wages are paid on the basis of days instead of hours, data were collected in respect of man-days instead of man-hours. Similarly, it was found in the course of the pilot enquiry, that except for a very few establishments separate records of premium payments made for leave or holidays, or for days not worked, were not maintained and hence these were dropped as separate items and recorded under 'basic wages'. Certain additions were made in the list either on the basis of the decisions of the Study Group referred to above, or to elicit separate information on some of the items on which employers have to incur expenses under labour laws in force in the country, *e.g.*, lay-off, washing facilities, retrenchment compensation, etc.

The Survey in this Industry was launched in July, 1961 and completed in October the same year. With a view to maintaining comparability of data and ensuring uniformity, it was intended to collect information, as far as possible, for the 12 months preceding the specified date, *i.e.*, for the period July, 1960 to June, 1961. If, however, it was not feasible to collect information for these 12 months, then the field staff were asked to collect the data for the financial year of the establishment. The available data show that it was possible to collect information from all the sampled establishments, except those located in Maharashtra, for the period July, 1960 to June, 1961. In case of ship building factories situated in Maharashtra, the labour cost data were collected for the financial year of the establishment which corresponded, in each case, to the calendar year 1960.

It may also be mentioned here that with a view to forming a better estimate of labour cost, salaries and allowances, etc., of those persons who were employed in connection with any welfare item, amenity, etc., even though they were covered under the Factories Act and were receiving less than Rs. 400 per month, were not included in the general heads "Wages", "Bonuses" and "Other Cash Payments" alongwith the similar amounts paid to workers who came within the scope of the Study. Expenses incurred in connection with such persons were recorded against the item for which they were employed. Similarly, the man-days worked by such persons were also excluded.

8.1. Labour Cost Per Man-day Worked

Data in respect of man-days worked and the corresponding wages and earnings of workers were collected during the course of the Survey, as also

the expenditure incurred by employers on various welfare and security measures, subsidy services, etc., representing the cost incurred by them on labour. Based on the above, the average labour cost per man-day has been worked out and is given in Statement 8.1.

STATEMENT 8.1.

Estimated Labour Cost Per Man-day Worked in the Ship Building Industry
(July, 1960 to June, 1961*)

(In Rupees)

Centre	Labour Cost
1	2
1. Maharashtra	9.95
2. West Bengal	7.90
3. Residual	6.01
4. All-India	7.79

*During the calendar year 1960 for factories in Maharashtra.

The overall labour cost per man-day in the Ship Building Industry has been estimated at Rs. 7.79. As Statement 8.1. shows, the burden of the cost was the highest in Maharashtra (Rs. 9.95) and the lowest in the Residual Group of factories (Rs. 6.01).

8.2. Components of Labour Cost

The major element of labour cost was wages. An account of the various components of labour cost can be had from Statement 8 2. (See page 49.)

8.2.1. Wages.

This component comprised basic wages and dearness allowance, incentive or production bonus and attendance bonus received by employees.

It was desired by the Bureau to collect data under this head in respect of the man-days worked alone, but in the course of the pilot enquiry, it was found that most of the employers did not maintain separate records of payments made for the days actually worked, and for leave and holiday periods. Consequently, the amount of basic wages and dearness allowance recorded included the sum paid for the days worked as well as not worked but paid.

It will be noticed from Statement 8.2 that wages constituted the bulk, i.e. nearly 76 per cent. of labour cost in the Ship Building Industry. This proportion was the highest in West Bengal (80.6%) and the lowest in Maharashtra (69.2%). In the Residual Group of factories, wages formed 73.8 per cent. of the labour cost.

Estimated Labour Cost per Man-day Worked by, Main Components, in the Ship Building Industry

(July, 1960 to June, 1961)*

(In Rupees)

Centre	Wages	Premium pay for overtime and late shifts	Bonuses	Other cash Pay- ments	Payments in kind	Social Security Contributions		Subsi- dies	Cost of Running Welfare Centres				Some Other Payments related to Labour Cost	Others@	Total
						Obliga- tory	Non- Obliga- tory		9	10	11	12			
1	2	3	4	5	6	7	8	9	10	11	12	13	14		
1. Maharashtra	6.88 (69.15)	0.44 (4.42)	0.89 (8.94)	0.54 (5.43)	0.03 (0.30)	0.56 (5.63)	0.27 (2.71)	0.18 (1.81)	†	—	0.13 (1.31)	0.03 (0.30)	9.95 (100.00)		
2. West Bengal	6.37 (80.63)	0.41 (5.19)	0.24 (3.04)	0.04 (0.50)	0.01 (0.13)	0.39 (4.94)	0.01 (0.13)	0.23 (2.91)	—	+	0.17 (2.15)	0.03 (0.38)	7.90 (100.00)		
3. Residual	4.44 (73.75)	0.16 (2.66)	—	0.29 (4.82)	—	0.15 (2.49)	0.11 (1.83)	0.62 (10.46)	—	—	0.24 (3.99)	†	6.01 (100.00)		
4. ALL-INDIA	5.93 (76.12)	0.35 (4.49)	0.31 (3.98)	0.22 (2.82)	0.01 (0.13)	0.35 (4.49)	0.09 (1.16)	0.33 (4.24)	+	†	0.18 (2.31)	0.02 (0.26)	7.79 (100.00)		

*During the Calendar year 1960 for factories in Maharashtra.

†Less than Re. 0.005.

@ These were expenses on such items as uniforms for watch and ward employees, protective clothing to workers etc.

Note:—Figures within brackets are percentages to total.

Statement 8.3 gives the break-up of the wage cost into the various sub-groups viz., basic earnings, incentive or production bonus and attendance bonus.

STATEMENT 8.3

Estimated Break-up of 'Wages Cost', by Components, in the Ship Building Industry

(July, 1960 to June, 1961)*

(In Rupees)

Centre	Basic Wages and Dearness Allowance (or consolidated Wages)	Incentive/ Production Bonus	Attendance Bonus	Total
1	2	3	4	5
1. Maharashtra	6.88 (100.00)	—	—	6.88 (100.00)
2. West Bengal	5.49 (94.03)	0.24 (3.77)	0.12 (2.26)	6.37 (100.00)
3. Residual	4.44 (100.00)	—	—	4.44 (100.00)
4. ALL-INDIA	5.73 (95.63)	0.13 (2.19)	0.07 (1.18)	5.93 (100.00)

*During the Calendar year 1960 for factories in Maharashtra.

Note: Figures within brackets are percentages.

It is evident that almost the entire amount on wage cost was spent in the form of basic wages and dearness allowance or consolidated wages alone. Payments made in the form of incentive bonus and attendance bonus were nil in Maharashtra and in the Residual Group and very little in West Bengal.

8.2.2. Premium Pay for Overtime and Late Shifts.

Under this group, the premium part of pay for over-time, late shifts and work on holidays was recorded. This was represented by an amount received by the workers in addition to their normal pay. For instance, if a worker received one and a half times his normal wages for overtime work, the extra amount paid to him, i.e. one-half, was recorded against this item. The normal wages were included under the group 'wages'.

It would be seen from Statement 8.2 that premium payment for over-time work and late shifts accounted for a small proportion (about 4%) of the total labour cost per man-day worked in the Industry.

8.2.3. Bonuses.

Payments made in respect of festival, year-end, profit-sharing and any other bonus were recorded under this item. As shown in Statement 8.2, the combined cost in respect of all such bonuses amounted to Re. 0.31 per man-day worked, or about 4 per cent. of the total labour cost in the Industry, as a whole.

Further break-up of such bonuses shows that profit-sharing bonus constituted about 58.4 per cent. of the cost on account of bonus payments, while year-end bonus accounted for nearly 31.9 per cent. The rest of the bonus cost (i.e. 9.7%) represented expenses on payment of festival and other bonus.

8.2.4. *Other Payments in Cash and Kind.*

Other payments in cash and kind were those which were made regularly, such as house rent allowance, transport allowance, free milk to certain workers, city compensatory allowance, etc., or irregularly, like 'bhatta' to those 'Production Workers' who went out of the factory to repair ships. Figures in Statement 8.2 show that these payments formed only a small proportion (about 3%) of the total labour cost per man-day worked. Such payments were being made in all the three Centres of the Industry.

8.2.5. *Social Security Contributions.*

Information in respect of this component of labour cost was collected under two heads; (a) obligatory, *i.e.*, those expenses which the employers were required to incur in compliance with certain labour laws, and (b) non-obligatory, *i.e.*, those social security contributions which the employers were making on a voluntary basis without any legal compulsion. The Survey results show that the expenses due to various social security contributions amounted to Re. 0.44 or about 5.61 per cent. of the total labour cost per man-day worked, thus being next in importance only to 'wages' group. Details about the labour cost in respect of various items of social security contributions for which the data were collected are given in Statement 8.4. (See page 52).

It will be seen from the Statement (8.4) that expenditure incurred by employers on obligatory social security contributions during the year under reference amounted to Re. 0.35 and on non-obligatory contributions to only Re. 0.09. It was observed that about 74.3 per cent. of the labour cost on account of obligatory social security contributions was in respect of provident fund contributions alone. The next important item was the Employees' State Insurance Contributions, which accounted for about 11.4 per cent. of the cost on obligatory social security contributions. The remaining about 14.3 per cent. of the cost was attributable to expenses on workmen's compensation and gratuity. No expenditure appears to have been incurred on compensation for occupational diseases and lay-off, maternity benefit and dependants' allowance during the reference period.

8.2.6. *Subsidies.*

Cost to employers for providing certain facilities and services to workers and their families was collected under this head. The facilities listed were Medical and Health Care, Canteens, Restaurants and Other Food Services, Company Housing, Building Fund, Credit Unions and other Financial Aid Services, Creches, Educational Services (*e.g.* Library and Reading Rooms), Recreational Services (Clubs, Sports, Theatres, Cinemas, etc.), Transport, Sanitation (at workplaces), Drinking Water Facilities, Vacation Houses, etc. The net amount spent, including depreciation but excluding any capital expenditure, was recorded. In the course of the pilot enquiry, it was noticed that in most of the cases, employers either did not maintain any records separately for the above-mentioned items or expenses related not only to persons falling within the scope of the Study but also to others. Hence, the field staff were asked to obtain estimates, wherever such statistics were not available separately, for the above-mentioned items, and/or for the employees covered by the Study only. In the later case, estimates were made on the basis of the proportion that the employees coming under the scope of the Study formed to the total employees. Statement 8.5 (page 53) gives details in respect of the cost on subsidies per man-day worked as revealed by the data collected.

STATEMENT 8.4
Cost of Social Security Contributions per Man-day Worked in the Ship Building Industry

(During July, 1960 to June, 1961)*

(In Rupees)

Centre	Obligatory														
	Compensation for														
	Provident Fund	Retrenchment Compensation	Compensation for Lay-off	Employees State Insurance Contribution	Employment Injury	Occupational Diseases	Maternity Benefit	Dependants Allowance	Gratuity	Other	Total	Non-Obligatory	Total for Obligatory and non-obligatory	Percentage of Social Security Contributions to the total Labour Cost	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1. Maharashtra	0.45 (80.36)	0.01 (1.78)	—	0.08 (14.29)	0.02 (3.57)	—	—	—	†	—	0.56 (100.00)	0.27	0.83	8.3	
2. West Bengal	0.32 (82.05)	—	—	0.06 (15.39)	0.01 (2.56)	—	—	—	†	—	0.39 (100.00)	0.01	0.40	5.1	
3. Residual	0.03 (20.00)	—	—	—	0.03 (20.00)	—	—	—	0.09 (60.00)	—	0.15 (100.00)	0.11	0.26	4.3	
4. ALL-INDIA	0.26 (74.29)	•	—	0.04 (11.43)	0.02 (5.71)	—	—	—	0.03 (8.57)	—	0.35 (100.00)	0.09	0.44	5.6	

*During the calendar year 1960 for factories in Maharashtra.

†Less than Re. 0.005

NOTE:—Figures within brackets are percentages.

STATEMENT 8-5
Estimated Cost of Subsidies per Man-day Worked in the Ship Building Industry.
 (July, 1960 to June, 1961)*

Centre	(In Rupees)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		Medical Care	Canteen	Restaurant and Other Food Services	Company Housing	Creches	Building Fund	Recreation Services	Transport	Sanitation	Drinking water	Educational Services	Cultural Services	Credit Unions and Other Fi- nancial aid ser- vices	Others	Total	Percentage of Subsidies to the Total Labour Cost
1. Maharashtra		0.06 (33.33)	0.09 (50.00)	—	—	—	—	†	†	0.02 (11.11)	0.01 (5.56)	†	†	—	†	0.18 (100.00)	1.8
2. West Bengal		0.07 (30.43)	0.04 (17.39)	—	0.01 (4.35)	—	—	†	0.05 (21.74)	0.03 (13.05)	0.03 (13.04)	—	—	—	†	0.23 (100.00)	2.9
3. Residual		0.61 (98.39)	—	—	—	—	—	—	—	0.01 (1.61)	†	—	—	—	†	0.62 (100.00)	10.5
4. ALL-INDIA		0.22 (66.67)	0.04 (12.12)	—	†	—	—	†	0.02 (6.06)	0.03 (9.09)	0.02 (6.06)	†	†	—	†	0.33 (100.00)	4.2

*During the Calendar year 1960 for factories in Maharashtra.

†Less than Re. 0.005

Note:—Figures within brackets are percentages.

The cost on subsidies amounted to Re. 0.33 per man-day worked or about 4.2 per cent. of the total labour cost. As would be seen from Statement 8.5, the expenses incurred by employers on medical and health care were the highest, being Re. 0.22, or 66.7 per cent. of the total expenditure on providing subsidies. Canteens accounted for 12.1 per cent., and sanitation for 9.1 per cent. of the cost on subsidies. The remaining 12.1 per cent. of the subsidy cost was equally divided between transport and drinking water facilities. No expenditure was found to have been incurred on restaurant and other food services, building fund, creches and credit unions and other financial-aid services.

8.2.7. *Direct Benefits.*

Direct benefits are those benefits which are paid by employers directly to the beneficiary without any intermediary or external agency. Such benefits were given to the workers on occasions like birth, marriage, death or dependency (family allowance). The Survey has, however, revealed that the expenses on these items were insignificant at the all-India level.

8.2.8. *Some Other Payments Related to Labour Cost.*

Under this group, expenses relating to recruitment, vocational training, apprenticeship and on the job medical services were recorded. A perusal of the Statement 8.2 (Col. 12) would show that this group accounted for Re. 0.18 or about 2.3 per cent. of the total labour cost per man-day worked in the country as a whole. The Survey results show that only two items of expenses figured prominently in this group and these related to (1) apprenticeship and training facilities and (2) on the job medical services.

CHAPTER IX

SUMMARY OF CONCLUSIONS

Ship Building and Repairing is one of the old industries of our country. It has had a chequered career. Introduction of steam navigation in the mid 19th Century placed the Indian Ship Building Industry in a disadvantageous position but after a period of struggle the Industry showed signs of revival in the early 1940s when work on the Visakhapatnam shipyard was started. In 1950, there were, in all 16 registered factories employing about 11 thousand workers. In 1961, the number of factories had risen appreciably to 52 with an average daily employment of about 31.5 thousand.

Data collected in the course of the Survey show that on 30th June, 1961 the estimated total number of workers employed in the Ship Building Industry was about 36.8 thousand of whom 766 workers were not covered under the Factories Act. Of the total employed, nearly 86 per cent. were 'Production and Related Workers'. Clerical and Related Personnel constituted a little more than 6 per cent. of the total, while the rest were accounted for by other groups.

Nearly the entire working force in the Industry consisted of men. There was no child labour at all and the number of women was negligible. The basis for payment of wages was time, piece-rate system being altogether non-existent. About one-fifth of the units in the Industry employed contract workers whose number was very small. The bulk of the working force in the Industry was found to have been recruited directly.

Information collected in respect of employment status of directly employed 'Production Workers' shows that about 60 per cent. of them were permanent, 11 per cent. temporary and 24 per cent. casual. The remaining 5 per cent. were apprentices, there being no *badlis* or probationers.

The Industry had a relatively stable working force since nearly 45 per cent. of the 'Production Workers' were found to have put in 10 or more years' service on the specified date, roughly half of them had a length of service of 15 or more years. However, the number of employees who had not completed the first year of their service at the time of the Survey was also significant, being about 31 per cent.

The average absenteeism rate in the Industry during the 12-month period ended June, 1961 was 13.5 per cent. The monthly rates reflected the usual pattern of higher absences during summer months and harvesting seasons. Some of the factories in West Bengal had introduced weekly and annual attendance bonus schemes for checking the high rate of absenteeism. There was not much of labour turnover, the overall accession and separation rates being only 1.6 and 1.5, respectively. Broadly speaking, three-fourths of the separations in the Industry were on account of discharge and dismissals. Nearly 36 per cent. of the ship building factories in the country, all of them large establishments, were providing training facilities to their operatives.

There has been no standardisation of wages in the Industry on a country-wide or regional basis and the wage structure was found to have developed on the basis of the prevailing wage rates in the area, collective bar-

gaining, conciliation, adjudication, etc. It is estimated that, since 1956, wage revisions affecting majority of workers took place in about 66 per cent. of the factories in the Industry. It was also found that about 30 per cent. of the wage revisions in the Industry had been brought about voluntarily by managements, nearly 26 per cent. through awards and 23 per cent. in terms of Pay Commission's recommendations. A majority of ship building workers (about 64%), were paid once in a month, while those who got their pay packet fortnightly formed about 32 per cent. of the total. The rest were weekly-paid employees.

The estimated average daily earnings of all workers in the Ship Building Industry were Rs. 7.29 in June, 1961 while 'Production Workers' earned, on an average, Rs. 6.20 per day. The lowest-paid 'Production Workers' in the Industry earned only Rs. 3.30 per day while the average daily earnings of clerical and related workers and of those belonging to the group 'Watch and Ward and Other Services' were Rs. 13.68, and Rs. 4.67, respectively.

A break-up of earnings has revealed that basic wages constituted about 86 per cent. of the total earnings while overtime pay accounted for roughly 8 per cent. The remaining nearly 6 per cent. of earnings consisted of production/incentive bonus, house rent allowance, transport allowance and other cash allowances.

The Survey results show that about 67 per cent. of the ship building factories in the country were working one shift a day, about 9 per cent. two shifts and roughly 24 per cent. three shifts. The percentage of factories having night shift was about 32, and all of them were large units. Excepting about 15 per cent. of the night-shift-working factories all others had a regular system of transferring workers from one shift to another. Night-shift-working factories generally, had either reduced hours of work for night shifts or paid night shift allowance or extra amounts to the workers.

The weekly hours of work nowhere exceeded 48, and thus, conformed to the limit prescribed under the Factories Act. The daily working hours were, however, $8\frac{1}{2}$ or $8\frac{3}{4}$ in about 67 per cent. of the factories, Saturday being a half day in all such units. Nineteen per cent. of the ship building factories worked for 8 hours a day and the rest, for $7\frac{1}{2}$ hours daily. About two-thirds of the factories allowed their workers a half-hour rest interval. Latrines existed in all ship building factories in the country but urinals had been provided in only about half of them.

All factories in the Industry were found to be granting annual leave to their employees in accordance with the provisions of the Factories Act. Data collected regarding the number of workers who availed of leave show that about 92 per cent. of them had enjoyed leave during the calendar year 1960. About 42 per cent. of these took leave for over 10 and up to 15 days and about 12 per cent. remained on leave for over a month. Like earned leave, the system of granting casual leave with pay was also found to be in vogue in all the units in the country. In a little more than half of the units, this facility was available to all the employees, but in the remaining factories, the categories of workers entitled to casual leave differed from unit to unit. In three-fourths of the factories, casual leave was being allowed for over 10 and up to 15 days in a year. About 51 per cent. of the factories were granting sick leave to their employees. The practice of granting national and/or festival holidays had become universal in the Ship

Building Industry as all employees in all the units were found to be enjoying this benefit. The number of holidays granted in a year was up to 10 days in some factories and in others varied from 10 to 15 days. All the factories surveyed were reported to be giving a weekly day of rest to their employees, in some cases to all with pay and in others to monthly-rated staff only.

Drinking water facilities existed in all the factories surveyed. The predominant arrangements were taps or earthen pitchers, the latter being in small units. Nowhere drinking water points were situated within the prohibited distance from latrines and urinals. As many as about 91 per cent. of the units in the Industry were making some special arrangement for the supply of cool drinking water during summer, although only about 32 per cent. of the units were legally obliged to do so. About 90 per cent. of the ship building factories had provided washing facilities and nearly 9 per cent. bathing facilities. About one-third of the units were required by law to provide canteens but not all of them had fulfilled their obligation. On the other hand, canteens were found existing in some of the units which were not legally bound to provide them. Thus, in all, about 48 per cent. of the factories had canteens. Canteen management in about 53 per cent. of the factories having them was in the hands of co-operative societies. In the rest, either managements or contractors were running the canteens. Arrangements for the sale of meals, in addition to tea, coffee and snacks, existed in about 89 per cent. of the canteens. Prices charged were on a no-profit-no-loss basis in about 53 per cent. of the factories running canteens, at subsidised rates in nearly 39 per cent., and at the market rate in the rest. Location and hygienic conditions of the canteens were either good or satisfactory. Since none of the factories surveyed employed more than 50 women, the question of providing creche did not arise. Only about 4 per cent. of the factories were statutorily obliged to provide rest shelters, but none of them had respected the law. Rest shelters, however, existed in 5 per cent. of the units which were under no legal obligation to provide the same.

While nearly four-fifths of the factories had provided facilities for recreation, educational facilities were almost absent in the Industry. About 42 per cent. of the units had attached hospitals or dispensaries. About one-third of the factories surveyed were obliged to maintain ambulance rooms, but of these, only about 31 per cent. had complied with the law. First-aid boxes were being kept in 80 per cent. of the factories in the country, but only a little more than half of them were under the charge of trained first-aiders. Only about 52 per cent. of the boxes were found to be containing all the prescribed items. As regards other amenities, co-operative credit societies were functioning in about 42 per cent. of the ship building factories.

Nearly 69 per cent. of the units in the country were providing housing accommodation, most of it in the shape of one-room tenements. The benefit was, however, not extensive as only about 4 per cent. of the total working force in the Industry had been housed. Accommodation was rent-free in about 42 per cent. of the factories providing it. In the remaining 58 per cent., rent was being charged either from all or some of the allottees.

The security against the contingency of old age which the workers in the Ship Building Industry enjoy, seems to be mostly in the shape of provident funds and gratuity schemes as 90 per cent. of the units had provident funds and 80 per cent. gratuity schemes. Of the factories having provident

funds, 90 per cent. had framed their own schemes and in only 4 per cent. the schemes had been formulated under the Employees' Provident Funds Act. It is estimated that approximately 63 per cent. of the workers in the Industry were members of various provident funds on the specified date of the Survey, *i.e.*, June 30, 1961. Gratuity Schemes, wherever existing, were regular but gratuity was payable only in the event of death or retirement. Pensionary benefits were available to the employees in only 30 per cent. of the ship building factories, all of them small sized. Data collected in respect of accidents show that during the year ended June, 1961, the accident rate in the Industry was quite high being about 250 per thousand workers employed. However, nearly all the accidents were minor ones causing temporary disability.

Workers were found to have organised themselves into trade unions in only 50 per cent. of the ship building factories. Membership of these unions consisted of about 47 per cent. of all workers in the Industry. Recognition to trade unions had been accorded by the managements of nearly 38 per cent. of the factories having unions. The main activities of trade unions in this Industry were reported to be securing of claims of their members under various Labour Acts, provision of recreational facilities and arranging relief for their distressed members.

It is estimated that, since 1956 and till the time of the Survey, only about 18 per cent. of the ship building factories in the country had concluded collective agreements with their employees, which related mostly to pay scales of technical employees, work-load, recognition of union, allowances, bonus and leave and paid holidays.

Of the units which were under a statutory obligation to frame Standing Orders, about 88 per cent. had complied with the law. Besides, some of the factories which were under no legal obligation, had also framed Standing Orders. Thus, it is estimated that at the time of the Survey, 55 per cent. of the factories had framed Standing Orders. Standing Orders wherever framed had been certified.

The Survey has shown that only about one-third of the ship building factories were statutorily obliged to appoint Labour/Welfare Officers and all of them had done so. Actually, however, such officers were found to have been appointed in about 46 per cent. of the factories surveyed.

Of the factories under a legal obligation to set up Works or Joint Committees, about two-thirds had done so. No factory had set up a Works or Joint Committee, voluntarily. None of the units surveyed had set up Production Committees and other Committees were also almost non-existent in the Industry.

Information collected regarding the system of settling grievances of the workers in the Industry shows, that in 70 per cent. of the units, a prescribed procedure for this purpose had been laid down. As regards schemes for associating workers with the managements, no establishment was found having introduced the same.

Data relating to labour cost in respect of persons covered under the Factories Act and receiving less than Rs. 400 per month show that, during the year ended June, 1961 the labour cost in the Industry was Rs. 7.79 per man-day worked. Wages, *i.e.*, basic wage, dearness allowance and incen-

tive payments, constituted the main component of labour cost and accounted for nearly 76.1 per cent. of it. Bonuses and premium pay for overtime and late shifts accounted for about 4 per cent. and 4.5 per cent. respectively, of the labour cost, while social security contributions were responsible for about 5.7 per cent. of the total labour cost per man-day worked. Expenses falling under the group 'Subsidies' constituted about 4.2 per cent. of the total. The main items of expenditure under this head were Medical and Health Care, Canteens and Sanitation.

APPENDIX

A Brief Note on the Sample Design and the Method of Estimation Adopted

1. Sample Design.

For the Survey of Labour Conditions, a multi-stage sampling procedure with industry as a stratum, with further regional strata for those industries which were found to be highly concentrated in particular regions or areas, was followed. The registered factories belonging to those industries for which regional stratification was found necessary were stratified and each centre or area of high concentration was taken as a separate regional stratum of the industry and the remaining scattered factories were clubbed together into a single residual stratum. Establishments in an industry/regional stratum were arranged in a frequency distribution fashion with suitable class intervals and were divided into two size-groups, large factories and small factories, on the basis of an optimum cut-off point derived for each industry. The optimum cut-off point was so derived that if all the establishments in the upper size group were included in the sample, the results obtained would yield an estimate of over-all employment within 5 per cent. error at 95 per cent. confidence interval, and the sample size would be minimum. The optimum cut-off point varied from industry to industry. For the Ship Building and Repairing Industry it was 540 which was approximately equal to the average size of employment in the Industry. However, considering the limited resources available for the Survey of Labour Conditions and the practicability, etc., it was thought that a sample of 25 per cent. from the upper size group and 12½ per cent. from the lower size group would yield reliable results. However, the experience of earlier Surveys had shown that due to (i) non-availability of very recent frame, (ii) closures, and (iii) units changing their line of production, considerable shrinkage had occurred to the desired sample size. Hence it was decided that for taking into account such closures etc., the required sample size should be increased to allow for the above-mentioned shrinkage. Having thus increased the sample size, the units which were found to be closed or which had changed their line of production were simply ignored and no substitution for such cases was made.

The ultimate sampling units, namely registered factories, mines or plantation within an industry/regional stratum were arranged by contiguous States and within each State by contiguous districts in a serpentine fashion so that districts formed a contiguous chain from one State to another. Having arranged the list of units in the above manner, the units above the optimum cut-off point were taken in the upper-size class and the rest in the lower-size class. From these size-groups, the required number of units were selected by systematic sampling with a random start. The frame on the basis of which the sample was selected in the case of ship building and repairing factories was the list of registered factories for the year 1959.

2. Method of Estimation.

In the course of the Survey, various characteristics were studied, some of which were correlated with employment whereas there were others which were not correlated with employment but with the number of establishments. Consequently, two different methods were used for working out estimates.

For estimating the totals of those characteristics which are highly correlated with employment such as absenteeism, labour turnover, earnings, labour cost, ratio of total employment was used as the blowing up factor. For estimating the totals of those characteristics which are not correlated with employment such as, number of units providing certain welfare facilities, etc., the ratio of units was used as the blowing up factor. Estimates of percentages have been arrived at by computing in each case the ratio of the estimates of the totals for the two characteristics involved.

In any stratum the estimate for the total of X—characteristic not correlated with employment is given by:

$$X = \frac{N_u - N'_u}{n_u - n'_u} \sum_i X_{iu} + \frac{N_L - N'_L}{n_L - n'_L} \sum_i X_{iL} \quad \dots \quad (1)$$

The summation extending over all the sampled units surveyed in the stratum:

Where X = the estimated total of the X-characteristic for a particular stratum;

N_u and N_L = the number of units in the original population as featuring in the 1959 list which was used as frame, in the upper and lower size groups, respectively of the stratum concerned.

N'_u and N'_L = the number of units which formed part of the 1959 list but were not in the first available list nearest to the period of the Survey in the upper and lower size-groups respectively of the stratum concerned;

n_u and n_L = the total number of units in the sample (from 1959 list) in the upper and lower size-groups respectively of the stratum concerned.

n'_u and n'_L = the number of sampled units, which were found at the time of the survey to be closed or to have changed the line of production and hence left out in the upper or lower size-groups respectively of the stratum concerned;

X_{iu} and X_{iL} = the total of the characteristic X in the i th sample unit of the upper and lower size groups respectively of the stratum concerned.

The totals for an industry are obtained on the basis of the above formula for each one of the strata of the industry.

In any stratum the estimate for the characteristic Y correlated with Employment is given by

$$= Y \frac{E_{N_u - N'_u}}{E_{n_u - n'_u}} \sum_i Y_{iu} + \frac{E_{N_L - N'_L}}{E_{n_L - n'_L}} \sum_i Y_{iL} \quad \dots \quad (2)$$

The summation extending over all units in the stratum.

Where Y = the estimated total of the characteristic Y for a particular stratum.

$E_{N_u - N'_u}$ and $E_{N_L - N'_L}$ = the total employment in 1959 in the $N_u - N'_u$ and $N_L - N'_L$ units respectively.

$E_{n_u - n'_u}$ and $E_{n_L - n'_L}$

= the total employment in 1959 in $n_u - n'_u$ and $n_L - n'_L$ sampled units respectively.

Y_{iu} and Y_{iL} = the total of the characteristic Y in the i th sample unit of the upper and lower size groups respectively of the stratum concerned.

The totals for an industry are obtained by summing up the totals obtained on the basis of the above formula for each one of the strata of an industry.

